

MEETING:	Cabinet
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BUDGET PROPOSALS 2021/22

CONTENTS

- 1 Section 151 Officer's Section 25 Report *(Pages 3 - 10)*
- 2 Our Be Even Better Strategy *(Pages 11 - 14)*
- 3 Medium Term Financial Strategy - Executive Summary *(Pages 15 - 26)*
- Background Papers
- 3a Detailed Medium Term Financial Strategy *(Pages 27 - 60)*
- 3b Council Tax Options 2021/22 *(Pages 61 - 66)*
- 3c Updated Reserves Position *(Pages 67 - 86)*
- 3d Capital Investment Strategy *(Pages 87 - 134)*
- 3e Treasury Management Strategy *(Pages 135 - 160)*
- 3f 2021/22 Fees and Charges *(Pages 161 - 196)*
- 4 Budget Recommendations *(Pages 197 - 200)*
- 5 Efficiency Proposals 2021 - 2024
- 5a Efficiency Proposals 2021 - 2022 *(Pages 201 - 210)*
- 5b Efficiency Proposals 2022 - 2024 *(Pages 211 - 218)*
- 6 Directorate Spending Plans 2021 - 2024
- 6a 2021/22 Spending Plans *(Pages 219 - 220)*
- 6b 2022/23 (Provisional) Spending Plans *(Pages 221 - 222)*
- 6c 2023/24 (Provisional) Spending Plans *(Pages 223 - 224)*
- 6d 2021/22 Schools Settlement and Delegated Budgets *(Pages 225 - 228)*
- 7 2021 - 2026 Capital Programme *(Pages 229 - 254)*
- Appendices
- 1) 2021/22 Capital Investment – Immediate Priority
- 2) 2021/22 Capital Investment – Live Funding Bids
- 3) 2021/22 Capital Investment – Feasibility

- 4) 2021/22 Capital Investment – Proposals Emerging/Pipeline
- 8 Redundancy Compensation Procedures (*Pages 255 - 258*)
- 9 Aggregated Equalities Impact Assessment (*Pages 259 - 268*)
- 10 Communications (*Pages 269 - 270*)

BARNSELY METROPOLITAN BOROUGH COUNCIL

LOCAL GOVERNMENT ACT 2003 - THE S151 OFFICER'S SECTION 25 REPORT ON THE 21/22 BUDGET PROPOSALS

1. **Purpose of the Report**

- 1.1 To provide, in accordance with the requirements of Section 25 of the Local Government Act 2003, advice from the Authority's Chief Finance Officer (CFO) on aspects of the 21/22 budget proposals.

2. **Background**

- 2.1 Part 2 of the Local Government Act 2003 contains a series of duties and powers that give statutory support to aspects of good financial management within local government.
- 2.2 Section 25 requires the CFO to report to an Authority, when it is making its decision on determining the council tax, advice on the following issues:
- The robustness of the estimates included in the budget; and
 - The adequacy of the reserves the budget will provide.
- 2.3 The CIPFA Prudential Code also requires consideration to be given to the affordability and prudence of future capital investment - given its impact on the revenue budget.
- 2.4 CIPFA's Financial Management Code also highlights the importance of the budget setting framework which operates within local authorities and the legal requirements under which this sits.

3. **Advice of the Chief Finance Officer**

- 3.1 This report is based on the Budget Recommendations at **Section 4** and the financial strategy and suite of financial information set out in **Sections 3 – 7**.

Robustness of the Estimates

- 3.2 As Members are aware, the setting of the 21/22 Revenue and Capital budgets are part of the Council's Medium-Term Financial Strategy that forms the framework for the budget for the period 21-24.
- 3.3 The Council's financial strategy has sought to clearly identify the risks associated with the budget so that properly informed and prioritised decisions are made. This is particularly relevant given the impact of COVID 19 during 20/21 as well as the continuing uncertainty around certain aspects of the UK's exit from the EU and the ongoing long-term impact this may have on local government finance.

- 3.4 As was the case in 20/21, the Government announced a further one year only Comprehensive Spending Review (CSR) for 21/22 meaning that they have not yet indicated what resources local government is likely to receive in 22/23 and beyond. COVID 19 is clearly having a significant impact on public finances and combined with the uncertain outcome of the UK's exit from the EU, the Government's next full three-year Comprehensive Spending Review, will take place within the context of a significant economic contraction, damaged public finances and record levels of debt.
- 3.5 In addition, there are further delays to the Government's key reforms of local government finance such as Fair Funding and the move to 75% Business Rate Retention. Combined with the uncertainty around the CSR this makes it extremely difficult to assess the Council's future funding position beyond 21/22 which fundamentally impairs the effectiveness of the Council's strategic planning.
- 3.6 Moreover, there are other financial risks facing the Council that I need to make Members aware of and, where necessary, provide for. The most significant risk is the way in which the Council's core services are now funded. Whereas previously the Council's services were largely grant funded, they are now much more dependent on local taxation, which is susceptible to volatility, unpredictability and uncertainty, particularly in times of national or economic crises.
- 3.7 Most notably this past 12 months I have witnessed the impact that the COVID pandemic has had on the local economy and the subsequent ability of businesses and residents to pay their respective business rate and council tax bills. This has resulted in a lower than planned tax take in the 20/21 financial year, something which is unlikely to improve in the short term as the economy struggles to recover from the economic damage caused by the pandemic. Although provision for this has been included within the budget estimates there is no guarantee that this will mitigate the ongoing losses in full; something that is very much dependent on the wider national economic recovery and, in turn, the way in which this impacts us locally here in Barnsley.
- 3.8 So, whilst I am confident that the Council will deliver a balanced budget for 21/22 and that, through working with the Senior Management Team, we have a framework in place to achieve a balanced position over the longer-term; this is heavily dependent on the assumptions set out in the budget papers being delivered and in particular that future Spending Reviews deliver funding to the Council in line with my forecast assumptions – something which I consider to be a risk given my aforementioned commentary.
- 3.9 My Section 25 report reflects this uncertain financial landscape in addition to the specific proposals contained within the budget. In terms of the estimates which are included in the proposed 21/22 budget, I would offer the following comments:

(i) ***Council Tax Income Assumptions***

The estimates for Council Tax Income are based on a collection rate of 95%, the same level as in previous years. However, I have made an adjustment

to forecast income levels to reflect the sharp increase in the numbers of Local Council Tax Support claimants as a result of the economic impact of COVID 19. At this stage I have no reason to believe that this is not a robust assumption, although given the fluidity of the current situation, the position will need to be closely monitored during the year.

(ii) ***Business Rates Income Assumptions***

Under the current Business Rate Retention scheme, Barnsley retains 49% of the total income collected. There is the potential that the reduced business rate income levels and volatility experienced in the current financial year as a result of COVID 19 will continue into next year and beyond. Consequently, I have made an estimate of the potential ongoing income losses from business rates and assumed a fall of 5% in the business rate baseline in 21/22. As a result, the expected income of £22.4M from retained business rates included within the budget is, I believe, based on prudent assumptions although again the position will need to be closely monitored during the year.

(iii) ***Pay Inflation Assumptions***

Despite the Chancellor announcing a pay freeze for public sector workers in his Spending Review [other than for those earning less than £24k per annum] the Council's budget provides for a pay award of 2%. This is on the basis that pay for the local government sector is determined by a separate national pay negotiation. Although the outcome of this is not yet known the provision within the budget is considered prudent at this time.

A provision has also been made in relation to the potential impact of the 2.2% increase in the National Living Wage on the Council's external contracts. Additionally, provision has also been made where contractual payments are linked to the Consumer Price Index or other inflationary measures; the full impact of which will be monitored during the next financial year.

(iv) ***Interest Rate Assumptions***

A prudent view of interest rates has been taken in constructing the estimates for interest charges in 21/22 and future years. Whilst these estimates are currently considered to be adequate and take on board advice from our treasury advisors, there is a low probability risk for interest rate volatility as the UK economy adjusts to both the pandemic recovery and the exit from the EU. Interest rates will continue to be closely monitored throughout the year and regular updates will be submitted into the Council's Treasury Management Panel and Cabinet, to ensure timely action is taken to optimise the Authority's position.

(v) ***Service/ Demand Pressures***

Both the budget for 21/22 and the forecast for 22-24 contain some significant increases in expenditure that result from the increasing demand and cost of Council services. Firstly, an assessment has been made of the ongoing financial impact of COVID 19 including: an assessment of the ongoing cost of providing for Adult Social Care post COVID [based on ADASS estimates]; provision for an increase in the number of looked after children placements post COVID; an ongoing increase in waste arisings and associated costs reflective of changing consumer habits and finally a provision to mitigate a proportion of ongoing losses in the Council's core income streams.

Secondly, provision has also been made for changes in demand / demographics in adult and children's social care services. Moreover, similar impacts are being felt across other service areas, such as waste and home to school transport. Whilst these have been quantified as far as is possible, the nature of these services means that demand can be difficult to predict.

I have no reason to believe that the current assumptions are not robust, but it is vital that these areas are monitored closely during the year so that any mitigating action that maybe required can be taken in a timely manner.

Adequacy of Reserves

- 3.10 **Section 3c** of the 21/22 Budget Proposals set out the Council's position in relation to the current level of provisions, reserves and balances available to the Authority.
- 3.11 As indicated in that paper, the current Minimum Working Balance (MWB) held by the Authority stands at £20M, an increase of £5M on previous levels. This balance was increased as part of the 19/20 accounts closure process to help mitigate the adverse financial impact of COVID 19 during 20/21. Consequently, although the MWB is likely to reduce from the current level of £20M I do not expect or advise that the Minimum Working Balance should fall below £15M, a level that I consider prudent and appropriate to the current risk environment.
- 3.12 The review of the Council's reserves has also included an assessment of its earmarked reserves / provisions to ensure their continued validity and make additional earmarking's where appropriate. I consider the current levels to be adequate subject to my comment at paragraph 3.14 below.
- 3.13 The 21/22 settlement has provided additional, mostly COVID related, one-off resources. It is my advice that this resource is set aside to support the COVID recovery and to provide the Council with additional resilience to deal with any challenges faced following the UK's exit from the EU.

- 3.14 It should also be noted that not all resources have yet been received and need to be 'banked' before being committed to future investments. I will ensure that this position is reviewed and reported through future monitoring reports. In addition, I also consider it appropriate and necessary to continually monitor reserve levels in the light of the changing circumstances facing the Council and as such, a further detailed review will be carried out as an integral part of the 20/21 accounts closure process and throughout 21/22.
- 3.15 Separately, the Chancellor's Spending Review announced a new "levelling up" fund for major infrastructure schemes such as roads, railways and town centre improvements; together with a replacement for EU structural funding called the UK Shared Prosperity Fund.
- 3.16 My initial view of these announcements is that the stated funding is not at the scale required to genuinely 'level up' the UK economy. That said, the Senior Management Team continues to work with colleagues from across the City Region to ensure that Barnsley is represented and well placed to access this funding once full details are released. The capital investment strategy (**Section 3d**) and Capital Investment Programme (**Section 7**) provide further details on this.

Prudence and Affordability

- 3.17 The current Prudential Borrowing regime places a duty on the CFO to ensure that the financial impact of decisions to incur additional borrowing are affordable both in the immediate future and over the longer term.
- 3.18 Consideration of the revenue impact of all new capital schemes is therefore undertaken alongside other operational service issues to ensure that resources are allocated in accordance with the Council's priorities and within the overall resources available.
- 3.19 As members will be aware the Council holds relatively high levels of debt as compared to its statistical neighbours as a result of previous policy decisions, including the building of a new secondary school estate and more recently the Glassworks town centre re-development.
- 3.20 I have advised in recent budgets against further significant borrowing [on the scale of the aforementioned policy decisions] until such time as the Glassworks scheme was complete and from a financial perspective de-risked. As the development nears completion and despite the uncertain retail, leisure and hospitality sector, all ongoing costs and revenues have been provided for within the MTFS and as such I am satisfied that all financial risks associated with the development have been satisfactorily addressed.
- 3.21 Consequently, the MTFS prudently provides for additional prudential borrowing of £20M over the planning period which is available to invest in new capital priorities. I am satisfied that this is prudent, affordable and sustainable in line with the requirements of the Prudential Code and reflecting on the recent lowering of PWLB rates and the Council's successful bid for discounted borrowing via the Government's Local Infrastructure Fund.

- 3.22 Consideration of any further borrowing in excess of this level should be considered carefully in line with the Prudential Framework, all relevant statutory indicators and a thorough risk assessment of all financial and non-financial factors including the opportunity cost of not investing elsewhere.

Financial Resilience and Sustainability

- 3.23 In 2019 CIPFA published their Financial Resilience assessment of the Council based on the 2018/19 financial year.
- 3.24 Following a detailed review of the results combined with the other internal governance and financial control measures in place, I concluded that the Council is on a sound financial footing and has sufficient resilience in place to ensure a sustainable financial position. This has been borne out during the current pandemic.
- 3.25 Although the updated CIPFA assessment has yet to be published there is nothing that has happened in the intervening period that would change my view. In fact, the recent external audit and COVID peer review have reaffirmed the Council's strong financial grip, governance and resilience.

Medium Term Financial Strategy (MTFS) and Budget Reduction Measures

- 3.26 A balanced budget for 21/22 can be delivered through the agreement of the proposals within the budget papers. However, this view is contingent upon the additional matters identified at paragraph 3.8 above and paragraphs 3.27 to 3.30 below.
- 3.27 The draft budget for 21/22 is again based upon a significant volume of budget reduction & efficiency measures and there needs to be a strong and sustained focus on ensuring the timely and comprehensive implementation of these. This equally applies to the budget reduction measures proposed to deliver a balanced budget in 22/23 as well as those identified to mitigate the anticipated gap for 23/24.
- 3.28 In addition, future forecasts are predicated on the Council maintaining, as a minimum, a cash standstill core resources position. I consider this to be a reasonable assumption but for the reasons outlined at paragraphs 3.4 & 3.5 there is considerable uncertainty around this.
- 3.29 Although we have taken a prudent approach in relation to our medium-term financial strategy and provided for known pressures over the planning period, any additional pressures will need to be contained within existing business unit resources and / or considered as part of future budget processes. Therefore, Members need to be mindful that if these pressures cannot be contained, then the current balanced position (identified within the current MTFS paper at **Section 3**) may necessitate an urgent review of both our MTFS and Reserves Strategy respectively.

- 3.30 I remain confident that the Council has a strong financial planning and control framework in place to deliver a balanced position both in 21/22 and over the medium term. This was evidenced through the Corporate Peer Review in May 2019 that concluded that the Council has a 'strong financial grip on both its expenditure and performance' and 'benefits from early forward thinking and financial planning'. This has been reaffirmed in the recent external audit and COVID peer review which, in the context of the current pandemic, provides reasonable assurance that the Council is well financially managed.

4. **Budget Recommendations**

- 4.1 As indicated in the 3-year forecast at **Section 3a (Appendix 1)** and based on the Budget Recommendations, a balanced budget will be set for 21/22.
- 4.2 This would see the Minimum Working Balance being maintained at between £15M - £20M and the one-off betterment from the 21/22 Local Government Finance Settlement being set aside for the COVID recovery and to provide financial resilience to deal with any challenges posed by the UK's exit from the EU. I consider this prudent and appropriate to the current risk environment. (**Section 3 refers**).
- 4.3 The proposals identified within the budget papers also provide the foundation around which the Barnsley's 2030 Plan & new Council Plan can be developed in a financially sustainable manner.
- 4.4 However, there remains considerable uncertainty around the impact of the pandemic and the longer-term funding position that the Council needs to be vigilant to and, if necessary, be prepared to change its planning assumptions and mitigation plans at short notice if that is required.
- 4.5 **In summarising my advice, I would stress that the robustness of the estimates and adequacy of the reserves which the budget will provide are satisfactory. However, this is contingent upon the requirements outlined at paragraphs 3.26 – 3.30 and reiterated at paragraph 4.4 above being delivered.**

N Copley BA (HONS), CPFA

Service Director Finance Business Unit and S151 Officer

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Our Be Even Better Strategy

1. Our Journey So Far

Since austerity struck in 2010, we have been on a challenging but highly successful journey of change, improvement and efficiency. That has been against a backdrop of nearly a 50% reduction in our workforce and just over £120M of efficiency savings between 2010 and 2020.

In 2012 we started to think about what a Future Council might look like and we invited the LGA to undertake a Corporate Peer Challenge. We recognised that external challenge along with our own ideas would help develop our blueprint for improvement which became known as the Future Council Strategy.

The focus of the Future Council Strategy was fundamental change to our organisation culture and design and in 2014 we launched our new vision, values and corporate plan. The strategy was developed to look three years ahead, but we then realised we needed to plan to 2020 if we were going to make longer term, sustainable change and improvement.

This planning period has ended and culminated with us inviting the LGA back to undertake another peer challenge in March 2019. The report showed that our organisation is unrecognisable from the previous review and the opening line from the report states'

'Barnsley Council is a high performing council with clear and tangible ambitions for its residents, communities and stakeholders.'

The Future Council Strategy has delivered tangible improvements, but our ambition does not stop there. It's now time to look forward and move into a new phase of our organisation's improvement journey where we strive to be even better.

2. Our Golden Thread



3. Barnsley 2030

It's time to believe in the possibilities of a better Barnsley, to look to the future with excitement and optimism. To allow everyone to be the best they can be because our borough is a place where hard work and ambition will always be rewarded.

As we do not deliver services in isolation, we are working jointly with our partners across the place to develop Barnsley 2030. We have also engaged with our communities, residents, businesses and employees and we have used the feedback to develop four thematic areas:

1. Healthy Barnsley
2. Learning Barnsley
3. Growing Barnsley
4. Sustainable Barnsley

We are now developing a new vision for Barnsley and set of ambitious goals linked to the four themes.

4. Our Council Plan 2021-2024

Our new Council Plan will be informed by Barnsley 2030 and developed in support of its delivery. We will review our priorities and outcomes to ensure that they inform our business planning to focus and target our financial and human resources on the 'big ticket' items over the next three-year planning period.

We will continue with our commitment to:

- Keep residents, particularly vulnerable children and adults safe, safe from harm and enable more people to live independently longer
- Drive inclusive growth and ensure Barnsley's residents are connected to local good quality job opportunities
- Enhance Barnsley's green spaces and improve the quality of the public realm, ensuring our streets are clean and safe
- Become a more efficient, more connected organisation, working as one Council with a stronger leadership and influencing role
- Adopt a more commercial, outward facing approach to doing business, generating income and leveraging the resources and assets of our partners in Barnsley
- Work with communities and local neighbourhoods to develop independence, wellbeing and resilience

5. Our Values

Our organisational values developed by our employees in 2014 are still fit for purpose and our last employee survey results illustrated how well embedded they are with 90% of employees agreeing that our organisation has clear values. We'll ensure that we continue to embed them throughout everything we do and that our Be Even Better Programme is framed around them.

6. Our Organisation Design Principles

As we work towards delivering Barnsley 2030 and the Council Plan it's important that we have a set of consistent organisation design principles and design enablers which will help to provide the foundations to build and guide our Be Even Better Programme, as set out in the Medium Term Financial Strategy. When undertaking improvement and efficiency reviews or service re-design, services should refer to and consider these principles as they develop and design their business case for change.

Our service design criteria will include:

- Enable more people to help themselves and each other, through customer insight, early help, early intervention, prevention and a strengths-based approach to delivery.
- Rationalise the Council's estate, reducing the number of face to face delivery locations and ensuring that where possible delivery sites are co-located alongside other public services
- Move more transactions with residents online, but still allow telephone and face-to-face delivery for those who require it most
- Seek income generation opportunities that leverage the Council's assets and resources and consider commercial opportunities
- Look at more creative ways to influence the behaviour of residents that better helps themselves and reduces costs to the Council
- Create the conditions for economic growth, employment and inward investment
- Invest in the Council's enabling functions, to drive efficiency, productivity and performance of council services, benchmarking with others
- Consider where there are invest to save opportunities to speed up service change
- Consider the needs of Communities/Neighbourhoods to inform service redesign

7. Our Key Enabling Strategies

Response, Recovery and Renewal

Whilst we recognise some services are still in response, that is balanced with us also moving into focussing on the recovery and renewal of our organisation and the place. Our recovery can be defined as the process of rebuilding, restoring, rehabilitating and moving on and following our plan to get back to 'normal' community functioning. It is also an opportunity to realign our values with communities and build back better, to crystallise and work towards our Barnsley 2030 ambitions and give a sense of renewal to communities to help to create a 'new normal' that sets a path towards longer term strategic goals.

This 'new normal' will require dedicated, collective and focussed leadership alongside our communities, our businesses and our public services for some time and it is likely that we are, to an extent, already moving to a new way of working for our places.

Organisation Development Strategy (OD) 2021-2024

Our next three-year strategy will be designed simultaneously to and informed by Barnsley 2030, the Council Plan and our Be Even Better Programme. Whilst the MTFS will focus on aligning and prioritising our financial resources, the OD Strategy will ensure we develop the right supporting organisational culture and behaviours and a modern, agile, healthy, engaged, skilled and innovative workforce to support the delivery of our strategic ambitions, improvements and efficiencies.

Medium Term Financial Strategy (MTFS) 2021-2024

The Medium-Term Financial Strategy (MTFS) is a key tool in understanding our financial position and in formulating our ongoing financial strategy. Together with the OD Strategy it is key to identifying how we will align our existing and future resources with Barnsley 2030 and the priorities and outcomes within the new Council Plan. A key aspect of the MTFS is the our Be Even Better Programme which will deliver a series of cross cutting and service specific improvements and efficiencies informed by our Design Principles. The refreshed strategic intent as set out in this document, continued financial grip and the new our Be Even Better Programme, mean that we have the framework in place to deliver balanced budgets to 20/21 to 22/23 with only a modest gap remaining to be addressed in 23/24.

Customer and Digital

Whilst our Covid-19 response and recovery has been challenging it has also forced behaviour and transactional change when accessing our services. This has shown a glimpse of the art of the possible and it's important we hold onto this change and coproduce the development of our customer service offer further whilst recognising we also have a duty to protect our customers from digital exclusion. We also recognise it is not only our customer facing workforce that are responsible for customer service, so we will standardise the way we serve our customers and let them know up front what to expect when they contact us, regardless of the media they choose to do this.

Digital thinking and innovation should be an embedded part of ongoing business planning as well as a key enabler for Our Be Even Better Programme. To support this, the OD Strategy will help to develop our organisational digital skills so that we can fully utilise the new tools, solutions and innovative technologies such as 365, robotics, artificial intelligence and the Internet of Things. One of the ambitions for Barnsley is to become a digital leader and a digital enabled inclusive economy and this will be a key aspect of Barnsley 2030 and the Council Plan.

There are also a number of other cross cutting strategies that will support the delivery of Barnsley 2030 and the Council Plan.

EXECUTIVE SUMMARY

MEDIUM TERM FINANCIAL STRATEGY & RESERVES – UPDATE POST CSR

1. Purpose

- 1.1 This paper provides the latest position on the Council's MTFS including its Strategic Reserves and follows on from previous updates provided to SMT and Cabinet during the summer.
- 1.2 It is set within the context of the ongoing COVID 19 pandemic and reflects the updated 21/22 Cross Cutting & Directorate efficiency submissions together with draft proposals for a new improvement and efficiency programme ('Our Be Even Better Strategy') to address the anticipated deficits across 22/24.
- 1.3 The paper also provides an update following the Comprehensive Spending Review & draft Local Government Finance Settlement which took place in late November 2020 / early December 2020 respectively.

2. Medium Term Financial Strategy 2021 through 2024

- 2.1 The forecast financial position as at December 2020 is shown in the Table below:

	2021/22 £M		2022/23 £M		2023/24 £M
Revised Forecast prior to efficiencies	7.192		2.923		4.243
Updated efficiency proposals	(7.192)		(3.300)		(2.420)
Revised Forecast as at Dec 2020 (post efficiencies)	0.000		(0.377)		1.823

MTFS Core Assumptions

- 2.2 Reports into SMT and Cabinet throughout the year have provided an updated 3-year MTFS.
- 2.3 The revised forecast and a balanced budget for 21/22 is predicated on the delivery of the following key assumptions:
 - Government funding assumed at 20/21 levels across the period 21/22 - 23/24.
 - Delivery of efficiency proposals totalling £7.2M in 21/22, £3.3M in 22/23 and £2.4M in 23/24 (£12.9M in total).
 - Council Tax income based on a 2.9% increase in 21/22 and 2% thereafter but adjusted for net base reductions in 21/22 (recovering thereafter) primarily to reflect additional Local Council Tax Support claimants.
 - Business Rates adjusted for inflation across all years and a net tax base reduction of 5% in 21/22 (recovering thereafter).
 - Pay award @2% but subject to national pay negotiations.
 - Provision for demographic pressures including in Adult Social Care (ASC), Children Social Care (CSC), Home to School Transport and Waste services.

- Provision for additional pension costs expected from the triennial review in 23/24.
- Investment in key priorities including the Glass Works, the Youth Zone and Social Care (to reflect an uplift in provider fees); and
- Provision for an increase in additional costs / loss of income as a result of the ongoing impact of COVID 19 [see below].

Provision for COVID 19 in 20/21 & MTFS

- 2.4 The MTFS is set within the context of the global pandemic and the impact it is having on council / public finances. Within this context, the current year budget [20/21] and future MTFS / Reserves Strategies have set aside resources which:
- Allow the Council to continue with the ongoing emergency response effort [impacted by the latest escalation in case numbers & new tier restrictions].
 - Support the recovery of the organisation and place; and
 - Reflect the ongoing impact of COVID 19 on the provision and cost of key services in 21/22 and beyond.
- 2.5 This includes the following specific coverage to facilitate our continued emergency response and recovery beyond the current financial year and into the late summer of 2021 if that is necessary:
- Provision for all required response and recovery efforts for the remainder of the 20/21 financial year.
 - Provision to continue our emergency response at current levels into the late summer of 2021 if required; including the funding of a generic resource pool to provide additional organisational resilience as well as all other resources required to maintain the current heightened response.
 - Provision to safeguard, as far as is possible, those local businesses most adversely impacted by the pandemic; and
 - Provision to continue to support our most vulnerable residents.
- 2.6 The MTFS also provides for the potential ongoing impact of the pandemic on key service areas / income streams into 21/22 and beyond as follows:
- The expected additional ongoing cost of providing for Adult Social Care post COVID [based on ADASS estimates].
 - Provision for an increase in the required number of looked after children placements post COVID.
 - An ongoing increase in waste arisings and associated costs reflective of changing consumer habits as a result of COVID; and
 - Provision for the anticipated ongoing impact on our Council Tax and Business Rate tax bases.

2.7 In terms of safeguarding the financial resilience of the organisation:

- Continued mitigation during 20/21 through the application of the ongoing moratorium and indefinite postponement of some previously agreed investment proposals.
- Further protection through an increase in the Council's Minimum Working Balance to £20m as well as establishing a COVID 19 recovery reserve [£2M].
- An agreement to set aside the betterment [as compared to our existing cash standstill position] derived as a result of the CSR / local government finance settlement, per Section 3 below, to provide additional COVID related resilience if that is required; and
- An option to undertake additional borrowing to fund existing capital expenditure to provide additional resilience to the Council's reserves position, only where that is necessary.

2.8 Therefore, the Council has prepared itself for further restrictions and disruption arising from COVID 19; although all risk cannot be fully eliminated, for example, in the event of a prolonged national lockdown extending significantly beyond the summer of 2021.

2.9 In this scenario, the Council would be reliant on further Government support and/or would need to instigate an urgent budget review in 2021 to address any ensuing budget shortfalls. However, this is considered unlikely given the roll out of the vaccine which commenced in early December 2020 and which is now being ramped up.

Revised MTFS

2.10 The updated position for the period through to 23/24 is summarised below with more detail provided at Appendix 1. This position is presented before and after the anticipated financial impact of 'Our Be Even Better Strategy'.

Table 2 – Updated 2021- 24 Forecast

	2021/22 £M		2022/23 £M		2023/24 £M
<u>EXPENDITURE</u>					
Gross Expenditure b/f	490.254		511.458		521.481
<i>Fixed and Ongoing</i> <i>- Pay, Pensions & Inflation</i>	5.323		4.196		7.096
<i>Demography & Demand</i>					
- Adult Social Care	7.731		2.437		2.437
- Children's Social Care	1.500		0.195		0.195
- Waste	0.950		0.200		0.200
- Home to School	1.400		0.200		0.200
- Fees & Charges / Other Contingencies	-0.300		-0.705		-0.208
	11.281		2.327		2.824

Investment				
- Town Centre & Other	4.600		3.500	0.500
TOTAL EXPENDITURE	511.458		521.481	531.901
INCOME				
Gross Income b/f	490.255		504.266	511.366
Core Income				
Council Tax @ 2%/ base growth	5.055		3.500	3.500
LCTS - additional claimants	-2.400		0.800	0.000
Business Rates – inflation @ 1%/ base changes	-0.950		2.800	2.300
RSG / Social Care Grant – changes	12.306		0.000	0.000
	14.011		7.100	5.800
TOTAL INCOME	504.266		511.366	517.166
NET GAP (Pre Efficiencies)	7.192		10.115	14.735
Proposed Improvement & Efficiency Agenda				
2021/22	-7.192		-7.192	-7.192
2022/23			-3.300	-3.300
2023/24				-2.420
NET GAP (Post Efficiencies)	0.000		-0.377	1.823

3. Strategy for addressing the MTFS

Approach to delivering the 21/22 Deficit

- 3.1 The Senior Management Team [SMT] have reviewed the previously agreed 21/22 efficiency proposals [£7.6M] for value, timing and deliverability within the context of the ongoing pandemic.
- 3.2 The updated position is attached in detail at Appendix 2 and summarised in Table 2 below.

Table 2 - 2021/22 Revised Efficiencies

	REVISED 2021/22 SAVINGS £M
ADULTS & COMMUNITIES	1.485
CHILDREN'S	-
PLACE	0.827
PUBLIC HEALTH [investment]	(0.290) *
CORE SERVICES	0.968
SUB TOTAL - DIRECTORATE	2.990
CROSS CUTTING	4.202
TOTAL	7.192

- 3.3 This provides the requisite efficiencies to balance the 21/22 budget subject to the additional caveats and assumptions outlined at paragraph 2.3.

Approach to delivering the 22-24 Deficit

- 3.4 The SMT have previously agreed to establish the following framework to address the 22-24 deficit:
- Developing a new Council wide Improvement & Efficiency programme called 'Our Be Even Better Strategy' [paragraph 3.5 refers].
 - Working with partners across health and social care [the 'efficiency executive'] to improve outcomes and deliver efficiency across the sector.
 - Working to secure additional external funding through the SCR devolution deal as well as through other government funding opportunities; and
 - Pushing forward with the growth proposals agreed in our Local Plan to ensure that housing & economic buoyancy is maintained.
- 3.5 The SMT have developed a further Improvement and Efficiency programme ('Our 'Be Even Better Strategy') driven by a reset of the Council's strategic intent. As set out in the separate report accompanying this paper; the revised strategy seeks to capture our emerging 2030 thinking, the next iteration of our Council plan, learning from our COVID recovery and renewal and other key strategy 'refreshes' e.g., a new Organisation Development strategy.
- 3.6 This emerging strategy has informed a new set of 'organisational design principles' which will act as a guiding light for all improvement activity across the Council over the life of the next Corporate Plan:



- 3.7 Applying these principles, the SMT have identified both cross organisational [Council wide] as well as service specific improvement and efficiency proposals which have the potential to deliver cash savings of £5.7M:

Table 3 – Improvement & Efficiency Cashable Savings 22-24

	Total £M 22/23	Total £M 23/24	Total £M
ADULTS AND COMMUNITIES	0.100	1.250	1.350
CHILDRENS	0.200	0.170	0.370
PLACE	1.500	0.500	2.000
PUBLIC HEALTH	-	-	-
CORE	0.500	-	0.500
TOTAL – DIRECTORATE PROPOSALS	2.300	1.920	4.220
CORPORATE SAVINGS (LEAD: CORE)	1.000	0.500	1.500
SUB TOTAL SERVICES	3.300	2.420	5.720

- 3.8 Consideration of the savings against the Council's forecast deficit is provided in Section 5 below.

4. Updated MTFS [post mitigation]

- 4.1 The updated MTFS position compared to the efficiency proposals for 21/22 and 22-24 is shown in the table below.

Table 4 – Revised 2021- 24 Forecast

	2021/22		2022/23		2023/24
	£M		£M		£M
Total Expenditure	511.458		521.481		531.901
Less Total Income	(504.266)		(511.366)		(517.166)
Revised Forecast as at November 2020 (pre efficiencies)	7.192		10.115		14.735
2021/22 Efficiencies	(7.192)		(7.192)		(7.192)
2022-23 Efficiencies			(3.300)		(3.300)
2023-24 Efficiencies					(2.420)
Revised Forecast as at December 2020 (post efficiencies)	0.000		(0.377)		1.823

- 4.2 This shows a balanced position for both 21/22 & 22/23 with a relatively modest budget gap of £1.8M forecast for 23/24.
- 4.3 It should be noted that the current level of savings identified from 'Our Even Better Strategy' [paragraph 3.7 refers] are at an early stage of development. Although these need further refinement and review, it is felt that, in certain areas, there is

the potential to identify additional savings as the review develops, which could further bridge the anticipated 23/24 gap.

- 4.4 Inclusive of a more favourable 20/21 outturn position than originally anticipated [caveated on the timing and duration of any further tiered restrictions as set out at paragraphs 2.4 to 2.9 above], the Council, at this stage, is in a relatively stable financial position especially in comparison to other local authorities, some of whom have seen their S151 officers issuing their councils with S114 notices.
- 4.5 However, the Council's current forecast position does need to be caveated. Firstly, it is heavily reliant on the deliverability of the efficiency proposals put forward to bridge the forecast gaps. Moreover, it also needs to be set against the backdrop of financial uncertainty where future Spending Reviews will be delivered within the context of significantly damaged public finances following the pandemic.
- 4.6 In addition, the Government is also consulting on key finance reforms (i.e., fair funding and 75% Business Rate retention) with a current implementation date of April 22. These reforms are also likely to impact on the Council's forecast assumptions, although it is too early in the process to estimate what this will mean with any accuracy.
- 4.7 The Council, in conjunction with SIGOMA, Yorkshire and Humber local authorities and the Sheffield City Region, are extensively lobbying the Government on this agenda to ensure that Barnsley, and likeminded authorities, receive resources based on local need as well as a fair share of all future funding allocations (e.g., lobbying for earlier business rate resets, greater COVID 19 funding and influencing the 'levelling up' agenda).
- 4.8 Subject to an ongoing review of the forecast assumptions and efficiencies, it is proposed to defer any further detailed work on addressing the remaining 23/24 gap until greater clarity is gleaned from the Government on their future funding plans.
- 4.9 As such, the focus of the SMT, at this stage, is to ensure the delivery of 21/22 planned efficiencies as well as working up delivery/ implementation plans for the 22-24 improvement and efficiency programme.

5. Update from Comprehensive Spending Review

- 5.1 As a direct result of COVID 19 and the damage and uncertainty that has caused in respect of the national public finances, the Chancellor announced a one-year only Spending Review on the 25th November 2020. Whilst this provided some certainty over funding levels for 21/22, the delay in delivering the full 3-year review means that once again there is no certainty in funding levels beyond next year.
- 5.2 Moreover, there is a concern that future Spending Reviews will take place within the context of the Government having to meet the bill for its COVID interventions as well as the longer-term economic damage attached to that and the UK's exit

from the EU. Within that context it is difficult to see any significant additional funding for the local government sector over the medium-term.

- 5.3 Alongside this there are several significant local government funding reviews [e.g., Fair Funding/Business Rates Retention] scheduled to take place in 2021; the impact of which are unknown at this time further exacerbating financial uncertainty.
- 5.4 The announcements made within the one-year CSR [referenced at paragraph 5.5 below] did not affect the Council's core projections for 2021/22 or beyond. However, although some additional one-off COVID related support was announced, once this is stripped out there appears to be very little recognition of the need to find a sustainable funding solution for local government. Again, this is a concern in terms of future spending reviews.
- 5.5 Therefore, the advice of the Section 151 Officer's is to set aside this one-off resource [identified at paragraph 5.7] for the COVID recovery and / or to provide the Council with a further financial buffer to deal with any challenges posed by the UK's exit from the EU.
- 5.6 Other key messages from the Spending Review include:
- 'Roll over' of core funding and one-off grants from 21/22.
 - A further £1.5BN of general one-off support for COVID recovery.
 - An additional £300M identified specifically for Social Care.
 - Government consultations on a further 3% Adult Social Care Precept with flexibility to spread the increase over 2 years.
 - A pay freeze for public sector workers – other than those earning less than £24k [note: the Local Government pay settlement is agreed separately].
 - Inflation [5.4%] on original (permanent) Better Care Fund - specific for ASC.
 - Confirmation that the Improved Better Care Fund will continue for a further year; and
 - One-off support for income losses experienced as a result of COVID 19 [Council Tax, Business Rates and Fees & Charges).
- 5.7 This has provided some one-off betterment to the current assumptions highlighted in paragraph 2.2 above:

General Funding	TOTAL	Notes
Council Tax ASC Precept	0.9	Based on a CTAX increase of 2.9% (as opposed to 2% core council tax currently assumed); Full ASC precept allowed of 3% [5% in total].
COVID 19 Recovery Funding	7.8	Allocation announced in LG Settlement
Social Care Grant	2.3	Allocation from additional £300M announced
Improved Better Care Fund	1.7	Final year of Improved Better Care Fund confirmed for 21/22.

Core income losses	TBD	Still monitoring final collection rates /awaiting further details of the scheme.
Total General Funding	12.7	

5.8 In addition, the CSR announced the following which will potentially positively impact day to day service delivery & outcomes:

- Further hardship support [£670M] to assist low-income households with their Council Tax bills – initial allocation of £2.7M.
- Funding (£254M) for rough sleepers [awaiting details]; and
- Confirmation that Troubled Families funding would continue (£165M), and additional Disabled Facilities grant (£573M).

5.9 Finally, the CSR announced several initiatives aimed at supporting the wider economy & funding for major infrastructure projects:

- A new £4BN ‘levelling up’ fund [£0.6BN being available during 21/22] to provide *“the infrastructure for everyday life, which may include a new bypass, upgraded railway stations, less traffic, more libraries, museums and galleries and better high streets and town centres”*.
- A UK Shared Prosperity Fund [£1.5BN p.a.] essentially to replace EU funding following BREXIT.
- A £2BN transport fund specifically for public transport / rail.
- Affirmation of the Kickstart Jobs Programme together with the introduction of a new £2.9BN Job Restart Programme [£0.4bn in 2021/22].
- £300M for new school places for children with Special Educational Needs.
- A £1.7BN fund for local roads maintenance to tackle potholes, relieve congestion and boost connectivity; and
- Specific funding to help make public buildings greener and support to enable social housing to become more energy efficient.

6. Updated Reserves Position / Capital Investment Strategy

6.1 The Council’s reserves strategy is formulated over the same planning period as the MTFS to ensure longer term alignment with the Council’s strategic intent. This facilitates an adaptable ‘rolling plan’ that can, where necessary, deploy pipeline schemes to meet Council priorities.

6.2 A further review of the Council’s reserves position has been undertaken to reflect the closure of the 19/20 accounts and other known changes - particularly those resulting from the impact of Covid 19. The Council’s reserves position is constantly monitored to ensure that spend does not exceed resource availability in any single year as well as over the planning period.

6.3 The level of reserves & balances available to the Council through to 23/24 is £270.4M although previous Council decisions have committed the vast majority of

this. A summary of the approved earmarking's / investments, set against available resources, is shown in Table 5 below.

Table 5: Current Use of Available Resources 2020/21-2023/24 (as at 1 April 2020)

	Earmarked Under Statute REVENUE £M	Earmarked - Invest to Save/ Future Commitments REVENUE £M	Earmarked - Future Capital Investments CAPITAL £M	Set Aside to Complete Schemes CAPITAL £M	Available to Invest CAPITAL £M	Available Resources TOTAL £M
Sub Total – GF	22.051	74.030	100.331	8.245	21.742	226.399
Sub Total – Housing	7.000	4.189	29.402	-	3.400	43.911
GRAND TOTAL	29.051	78.219	129.733	8.245	24.922	270.390

- 6.4 To recap, when reserves were previously reviewed as part of the 20/21 budget setting process, available resources of £34.0M were identified. Of this amount, £31.3M was committed to new investments leaving a balance of approximately £2.7M as shown in Table 6 below.

Table 6 – Investments applied against available resources

	Total Available Resources Remaining £M
General Fund	1.420
Housing Revenue Account	1.250
Total Resources Available	2.670

- 6.5 In the light of the Covid 19 pandemic, Cabinet has received several updates that have sought to review the Council's existing and new investment programme. This process has put on hold several lower priority investments with the proposed intention of using these resources to support the Council's financial position, should that become necessary.
- 6.6 The investments (including pre 20/21 investments) currently placed on hold total £21M. At this stage, it is not intended to add this funding back into the Council's reserves but set these reserves aside for their intended purpose or as a further contingency to support the Council's budget, as outlined above.
- 6.7 Following the closure of the Council's 19/20 accounts (clean audit opinion confirmed), a further review of the Council's reserves position has been undertaken. This prioritised the use of generally available reserves to support the Council's response to, and recovery from, the COVID 19 pandemic by increasing the Minimum Working Balance by £5M (to £20M), setting aside £1.9M for the COVID19 recovery with a further £2M to develop business cases / feasibility studies in response to the Government's economic stimulus proposals.

- 6.8 Having set aside funding to protect the Council from COVID 19, a further £25.1M (£21.7M GF and £3.4M HRA) of resources are available that, principally, reflect new borrowing allocations from extending the planning period to 2023/24 and release of contingencies previously committed. This additional resource can be added to the uncommitted resources in 2020/21 (see Table 6) and is summarised in Table 7 below. It should also be noted that the outcome of SCR's devolution deal with the Government may also result in additional one-off resources for the Council.

Table 7 Availability of Reserves/ One off Grants for Investment

	£M
Unallocated GF Reserves	1.420
Additional Borrowing/NHB Allocations	20.322
General Fund	21.742
Unallocated Housing Reserves	1.250
Review of Housing Reserves	2.150
Available for Investment	25.142

- 6.9 Subject to containing the financial impact of the pandemic within the parameters set out in this report, there is potentially around £25.1M of one-off reserves & balances available for new investment over the planning period [acknowledging that spend cannot exceed resources in any single year].
- 6.10 This resource will be considered alongside our Capital Investment Strategy [see separate report 'Capital Investment Strategy'] which provides the framework for establishing and prioritising pipeline proposals.

7. Summary & Next Steps

- 7.1 Based on the existing assumptions within the MTFS, there is currently a plan in place to deliver a balanced budget position in both 21/22 & 22/23 with a relatively modest gap identified for 23/24 at this stage.
- 7.2 In relation to the Council's overall forecast, this is subject to review especially as we get more information from the Local Government Finance Settlement which is expected in early January 2021.
- 7.3 A key date timeline for establishing a balanced MTFS budget is set out below including Cabinet dates for approving the 2021/22 budget:

Date	Meeting	To Discuss
12 th January 2021	SMT	To consider final pack of budget papers / updated for the Local Government Finance Settlement
13 th January 2021	Cabinet	HRA & Council Tax / NNDR Base papers.
4 th February 2021	Full Council	HRA budget
10 th February 2021	Cabinet	To consider recommendations on budget & Council tax [recommend to Council]
25 th February 2021	Full Council	Approval of budget / Council Tax

**MEDIUM TERM
FINANCIAL STRATEGY
2021/22-2023/24**

INDEX

SECTION	
A	OVERVIEW
B	THE NATIONAL CONTEXT
C	THE COUNCIL'S KEY PRIORITIES
D	THE COUNCIL'S RESOURCES
E	THE COUNCIL'S SPENDING PLANS
F	THE COUNCIL'S FINANCIAL PLANNING FRAMEWORK
G	KEY ASSUMPTIONS & RISK ASSESSMENT
H	THE COUNCIL'S RESERVES STRATEGY AND CAPITAL SPENDING
I	APPENDICES
	A – DETAILED MEDIUM TERM FINANCIAL FORECAST B – PROCESS FOR ADDRESSING DEMOGRAPHIC PRESSURES

SECTION A – OVERVIEW

The COVID 19 pandemic has had a major impact on Local Government services and placed their budgets under a tremendous strain. Where this was once considered rare, there are now repeated reports of local authority Directors of Finance issuing or threatening to issue Section 114 notices and a recent Grant Thornton report suggested that over 50% of local authorities will be facing financial failure by 2022/23 without further funding support.

So local government is facing a difficult financial future which is also compounded by other events in addition to COVID 19. The Government have, for the second successive year, only released a one-year Spending Review which means that the Council does not have financial certainty beyond 2021/22. The unknown impact of the EU exit trade deal is also exacerbating economic uncertainty for the national public finances and the Government's funding reforms for local government (Fair Funding, 75% Business Rate Retention) have now been further delayed until 2022/23 at the earliest.

Like the rest of local government, Barnsley's financial position has been put under enormous strain as a result of the pandemic and other issues. The predicted gross spending pressures in 2020/21 are well in excess of £50M as a result of COVID 19 and despite additional one-off Government funding, the Council is still predicting a net shortfall by the end of 2020/21 of around £15M (Quarter 2 position).

However, the Council has been able to deploy its robust financial planning framework / strong financial grip to navigate a prudent path through this period of extreme uncertainty.

Aligned with the Barnsley COVID 19 recovery strategy, the Council has put in place a financial recovery strategy, that has comprised two phases:

- Phase 1 – Emergency Response & Short-Term Recovery [20/21 financial year] including a spending moratorium on all non-essential expenditure;
- Phase 2 – Longer Term Recovery and Sustainability [21/22 and beyond / MTFS].

As part of this strategy and especially in the current circumstances, the Council's Medium-Term Financial Strategy (MTFS) is also a vital tool in understanding the Council's financial position and driving our financial strategy forward.

The MTFS has been developed to put in place a robust financial plan to support and deliver our Corporate Plan against a difficult and very uncertain financial outlook. It sets out the context for our 3-year financial position and outlines our approach for ensuring that the Council can deliver its key priorities in a balanced, sustainable way whilst constantly reviewing the assumptions that underpin the MTFS.

Whilst this strategy covers a rolling three-year period to 2023/24, it will be further updated and aligned to the Borough's 2030 Placed Based Plan and Council's updated Corporate Plan which are due for publication later in 2021. The updated Corporate Plan will also continue to put in place a structure to ensure that, as a Council, we are effective, efficient, high performing and sustainable.

SECTION B – THE NATIONAL CONTEXT

Barnsley's 2021 – 2024 Corporate plan seeks to establish the Council as a sustainable organisation. The Council, nevertheless, remains dependent upon the national agenda and more specifically, central government decisions around future funding especially as the national economy emerges from the current COVID 19 crisis.

As such, our MTFS is set within the context of the Government's public sector expenditure plans beyond 2021/22. The sheer scale of the Government's borrowing, which stand at record, post war levels, means that their future fiscal strategy is likely to radically change. Whilst the Government have insisted that there will be no immediate return to austerity, it remains uncertain as to how they will fund local government in the future and these plans are still critical to our future funding position.

2021/22 Local Government Finance Settlement

The 10 years up to 2020 saw Local Government, and particularly Barnsley, face significant financial austerity due to cuts in Government funding. Barnsley has been one of the hardest hit, with Revenue Support Grant (RSG) falling by some £95M (equivalent to a 58% cash cut) over the period.

In 2020/21, the Government introduced a one year only settlement. As a result of the careful and astute financial management over the previous periods, this afforded some respite to the cuts in funding and allowed the Council to propose several one-off investments in key priorities. Unfortunately, the impact of COVID 19 and the subsequent Financial Recovery Strategy has resulted in some of these investments being suspended or stopped altogether.

The 2021/22 Spending Review confirmed the following:

- Roll over of core funding and one-off grants from 2020/21;
- Additional £3 Billion support package for continued COVID 19 Support;
- Additional £300 Million for Social Care;
- Options to implement a 3% Adult Social Care precept over 2 years;
- A new £4 Billion levelling up fund [£0.6 Billion being available during 21/22] for councils to bid for, to support any regeneration project;
- The £1.5 Billion UK Shared Prosperity Fund to be launched in the spring of 2021;
- Continuation of the Kickstart Jobs programme together with the introduction of a new £2.9 Billion Job Restart programme with [£0.4 Billion in 2021/22];
- Specific funding to help make public buildings greener and support to the poorest homes and social housing become more energy efficient;
- £300 Million for new school places for children with Special Educational Needs;
- A £1.7 Billion fund for local roads maintenance to tackle potholes, relieve congestion and boost connectivity.

Whilst the Spending Review confirms the position for 2021/22, it remains to be seen whether this will be sufficient enough to deal with the ongoing fallout of COVID 19 in the immediate and longer-term future. There is also uncertainty over how the Government will support local government beyond 2021/22, given its status as a non-protected Government department.

Nevertheless, the 21/22 CSR does provide the Council with limited scope to provide one-off support to the COVID 19 recovery and / or to provide the Council with a financial buffer to deal with any challenges posed by BREXIT.

The table below summarises the financial impact of the one-year settlement:

Summary of Estimated One-Off Resources for 2021/22

General Funding	TOTAL £M	Notes
Council Tax ASC Precept	0.9	Based on a CTAX increase of 2.9% (as opposed to 2% core council tax currently assumed); Full ASC precept allowed of 3% [5% in total].
COVID 19 Recovery Funding	7.8	Further tranche of funding to support the recovery from COVID
Social Care Grant	2.3	Includes Barnsley shares of the additional £300M announced in the Local Government Settlement
Improved Better Care Fund	1.7	Confirmed that Improved Better Care Fund will continue in 21/22.
Core Income Losses	TBD	Continue to monitor final collection rates / await further details of the compensation scheme.
Total General Funding	12.7	

The position for schools funding has also been updated and this includes details of the Dedicated Schools Grant (DSG) allocations and other schools / education related funding such as the Pupil Premium Grant (PPG). A summary of the funding headlines pertaining to schools is provided below:-

2021-22 Schools Funding Settlement

The position for schools funding has also been updated and this includes details of the Dedicated Schools Grant (DSG) allocations and other schools / education related funding such as the Pupil Premium Grant (PPG). A summary of the funding headlines pertaining to schools is provided below: -

- The Government confirmed (in July 2020) detailed aspects of schools and high needs funding arrangements for 2021-22. This is the second of a three-year cumulative £7.1 billion funding boost, which would see schools / high needs rise by £2.6 billion in 2020-21, £2.2 billion for 2021-22 and £2.3 billion for 2022-23;
- The funding settlement for 2021-22 includes £792 million extra for children with Special Educational Needs and Disabilities (SEND);
- The National Funding Formula (NFF) for schools and high needs has been updated and used to determine DSG funding allocations for 2021/22 (including the above additional funding);

- Total DSG allocation for Barnsley for 2021-22 (confirmed in December 2020) is £221.4M and includes the additional high needs funding. This equates to a £17.2M increase in funding compared to 2020/21;
- The increase in funding can be explained by the following: rolled in teachers' pay and pension cost grant in 2021-22 (£7.3M); increase in direct funding to schools / academies (£6.2M); additional funding for high needs (£3.5M); and early years funding increase (£0.2M);
- The 2021-22 funding rates for the Pupil Premium grant will remain the same as in the current year and the eligibility criteria will remain unchanged. Other schools' grants and applicable funding rates (e.g. PE Sports Grant, Universal Infant Free Schools Meals, etc.) will be confirmed in the new year;
- The recommendation to approve the 2021-22 schools' budgets, particularly the changes to the Barnsley funding formula following the consultation with schools and the transfer of funding to high needs, will be included in a separate report within the budget papers.

Comprehensive Spending Review (CSR)

As mentioned, the Government have announced a one-year spending review for 2021/22. It is expected that the next spending review in the Autumn of 2021 will be over a longer period and set out the total level of public spending for a three to five-year period as well as indicative spending allocations across Government departments.

Fair Funding Review

The Ministry for Housing, Communities & Local Government (MHCLG) has been consulting for a number of years on the process of reviewing the formula that determines baseline funding levels for all local authorities.

The new baseline funding model, currently under review, is not now scheduled to be in place until 2022/23 which is some 2 years later than originally proposed.

The results of this review are currently uncertain for the Council. There are potential drawbacks to our position if parts of the formula that currently benefit the Council (e.g. the funding for population density) are, in the round, decreased in favour of less-advantageous measures to Barnsley (e.g. sparsity). This, of course, could work in reverse and changes may be to the Council's advantage.

Similarly, the quantum of Government funding allocated to local authorities will also impact the Council's position irrespective of the final distribution formula/mechanism. This is especially relevant in the context of record levels of debt and a fragile economy dealing with the fallout of COVID 19 and the UK's exit from the EU.

Officers continue to represent the Council during each phase of consultation.

Business Rate Retention (BRR)

The Local Government Finance Settlement for 2018/19 announced the Government's intention to increase the retention of business rates by local authorities from 50% to 75%. There has also been pressure to reform or even replace the current business rates system.

Whilst an increased retention rate does present the Council with the opportunity of benefitting from additional growth, the downside is that the Council would suffer a greater impact of any BRR decline. This is particularly relevant in the current economic climate with the possibility that a move to 75% BRR would make the Council's future income streams even more susceptible to volatility.

It is also our experience that the new BRR system, on the whole, has not really benefitted the Council compared to other authorities. Even before the Covid 19 crisis, Barnsley has only generated relatively low growth since the BRRS system was introduced in 2013. Whilst the new Glassworks development and other regeneration projects may help improve this position, the Council fundamentally believes that the Government's funding reforms should focus on ensuring that local needs are met rather than rewarding growth. This is even more pertinent in a post COVID world since it is apparent that the most deprived communities have been hit the hardest by the pandemic.

The Council has made / will be making this point as part of our Fair Funding and BRRS consultation responses.

Adult Social Care Green Paper

The Government intended to publish a green paper on care and support for older people during 2019/20 but this has been further delayed (the paper was originally scheduled for publication in the summer of 2018).

The paper is expected to set out plans for how the Government proposes to improve care and support for older people and tackle the challenge of putting in place long term sustainable solutions for an ageing population. It is also recognised that there will be possible funding implications of this policy and that Government will hopefully build on the funding they have already provided in the last 3 years.

Once the green paper is published, it will still be subject to a full public consultation.

Children Services

Barnsley has experienced pent up demand across a range of services (e.g. business support, community support etc) due to COVID 19, but it has been particularly acute in Children's Services. Due to the first lockdown, children hadn't been accessing universal services (e.g. school, early years and childcare provision, routine health appointments) so abuse, neglect or harm may have gone undetected and there was a surge in referrals as soon as lockdown was lifted.

The Association of Directors of Children's Services (ADCS) has published a discussion paper, 'Building a Country that Works for all Children Post Covid-

19', which articulates the infection's impact on childhoods. It reflects Barnsley's experience and outlines a widening attainment gap with more families plunged into poverty.

The peak of demand for our services is only just beginning and therefore, the biggest challenge for Barnsley is still to come. Although the Government increased funding for special educational needs and disabilities (SEND) this has been insufficient to address the funding needs across Children Services.

Coronavirus has intensified the challenges many children and young people face and there are widespread concerns about lost learning, domestic abuse, poverty and the impact of social distancing on mental health and wellbeing which need concentrated amounts of further resources.

Financial Management Code of Practice / Financial Resilience

There is significant focus on the financial health of local government bodies as a result of the stringent cuts faced since 2010 and more recently as a consequence of the pandemic.

To try and provide councils with an early warning of poor financial management, CIPFA have introduced the Financial Management Code of Practice. The FM Code is designed to "support good practice in financial management and assist local authorities in demonstrating financial sustainability".

The code sets out 17 standards across 7 sections:

- 1 The responsibilities of the Chief Finance Officer and Leadership Team;
- 2 Governance and financial management style;
- 3 Long to medium-term financial management;
- 4 The annual budget;
- 5 Stakeholder engagement and business plans;
- 6 Monitoring financial performance;
- 7 External financial reporting.

Local authorities are required to formally apply the requirements of the Code by 1st April 2021.

The S151 Officer has undertaken a detailed assessment against the Code, and determined that, whilst there are a few minor areas that could benefit from modest improvement (in line with the Code's detailed guidance), overall, the Council meets the requirements of the Code. As context to this review, it should be noted that the Corporate Peer Review, undertaken in 2019, highlighted that the Council "benefits from strong financial management" and that there is "a willingness to take reasonable risks to bring about change".

Financial Resilience

Linked to the above, there are more reports of local authorities reaching breaking point and only been able to deliver core statutory functions to maintain a balanced financial position.

In June 2020, Grant Thornton issued an in-depth insight on the financial impact of Covid 19 in the local government sector. It particularly highlighted the significant operational and financial challenges faced by the majority of local authorities coming off the back of 10 years of austerity in the sector. The report also highlighted that in extreme circumstances, local authority S151 Officers may need to issue a S114 notice. This is starting to materialise with 2 further recent examples of local authorities (Croydon and Nottingham) issuing such notices, with a further six councils expecting to issue one in the next 18 months.

There is also an increasing trend in the number of authorities drawing down their reserves in an unsustainable manner.

As a result, the financial resilience of local government is under greater scrutiny than ever before, placing an increasing importance on each Council's ability to provide assurance to local leadership in relation to ongoing financial sustainability and the ability to continue to deliver statutory responsibilities.

In response, CIPFA introduced the Financial Resilience Index in 2019/20. As part of the 2019/20 Budget Setting Process, the S151 Officer carried out a review of the Council's financial health in line with CIPFA's financial resilience indices and concluded that the Council is on a sound financial footing. Although CIPFA have yet to update their financial resilience analysis to incorporate information from 2019/20, there is no evidence to suggest that this view has changed as a result of the pandemic. Indeed, the financial recovery strategy in place, the updated MTFS and plans to deliver balanced budgets to 2022/23, together with a recent COIVD peer review have served to further consolidate this view. The position will be closely monitored throughout the year.

SECTION C – THE COUNCIL’S KEY PRIORITIES

Barnsley 2030

The Council has continued to reshape its service delivery to ensure our model is both effective and adaptable and thereby capable of delivering our key priorities: -

- A thriving and vibrant economy;
- People achieving their potential; and
- Strong, resilient communities.

As mentioned, the Council’s updated Corporate Plan is due for publication later in 2021. However, a further Improvement and Efficiency programme has been developed driven by a reset of the Council’s strategic intent and introduction of Our Golden Thread.



Our MTFS has been updated and developed on a similar flexible basis to incorporate any changes to our priorities as well as address the uncertain financial outlook. This is underpinned by a number of other key strategies that will deliver our priorities including for example, SEND, Carers, Community Engagement, Health & Well Being, Employment & Skills and Community Engagement amongst others.

Section E outlines how the financial forecast incorporates the priorities arising out of our key strategies and ensures that our future demands are managed effectively.

A number of key strategies that underpin the Council's modernisation agenda are outlined below:

- *Be Even Better Programme*. This programme will deliver a number of cross cutting and service specific improvements and efficiencies informed by our new design principles.
- *Capital Investment Strategy*. The Council's Capital Investment Strategy has been prepared in accordance with the CIPFA Prudential Code 2017. The strategy forms a key part of the Council's overall planning process by providing a mechanism by which capital expenditure and investment decisions are aligned over a medium term (five year) planning period with the Council's Corporate Plan and its core priorities.
- *External Funding Strategy*: In order to ensure that the Council is optimising all available external funding opportunities to support the Council's strategic objectives, an External Funding Strategy is being developed. This will provide a framework that supports the Council in identifying and then optimising all external funding opportunities in support of the Council's strategic objectives.
- *Commercial Strategy*. Embedding a more business-like culture to continually improve Council services for our customers and residents. This approach not only seeks to increase income and deliver value for money but also instil a more commercial mind set across the organisation.
- *Asset Management Strategy*. As part of the national One Public Estate programme, we have established a five-year programme that seeks to assess the best use of our assets. Working with Directorates and partners, the programme aims to review our assets to determine the most appropriate way to deliver services in future. A disposal programme has also been established to sell any surplus assets as a result of the review of our One Public Estate.

Accompanying this framework is a clear principle that we match ongoing spending requirements with ongoing income. This means that we will use our reserves for one off revenue or capital investment that supports our priorities and strategies. Any use of reserves as a short-term bridging strategy will only be used in very exceptional circumstances which of course, the current COVID crisis represents.

In addition, services seek to identify and deliver efficiencies and/or commercial opportunities on an ongoing basis not just at budget setting times. This approach not only aims to ensure that all our business units spend within their resource envelopes but also identify ongoing savings that can be 'freed up' to fund our corporate priorities.

The Capital Oversight Board oversees the Council's capital programme, reviews business cases and recommends new capital investment priorities to SMT/Cabinet.

The Commercial Board has been set up to deliver the commercial strategy, review business cases for new commercial investment.

The Council's senior leadership team oversees the delivery of the Council's efficiency proposals on an ongoing basis.

The framework, set out above, seeks to ensure that we maximise our overall resources in support of our priorities.

Finally, a key principle of our financial planning framework is that all our capital and revenue decisions are fully integrated and made simultaneously. This is an important strand of our strategy since it ensures that Members understand and prioritise competing commitments irrespective of whether they are of a revenue or capital nature.

SECTION D – THE COUNCIL’S RESOURCES

Core Resources

The introduction of the Business Rate Retention (BRR) model in 2013/14 changed the way that local authorities receive their funding. Whereas business rates were previously pooled nationally and redistributed to local authorities based on need, the new system allows local authorities to retain 50% of locally collected business rates.

From 2013/14, Barnsley has received its core funding in 3 ways:

- Government funding through the BRR model;
- Retained Business Rates; and
- Council Tax.

Our ‘core’ resource totals for the next 3 years are shown in the table below and covered in more detail in the following sections:

	2021/22 £M	2022/23 £M	2023/24 £M
Government Funding (BRR)			
- RSG	13.0	13.0	13.0
- Top Up Grant	32.7	33.0	33.3
- S31 Grant	3.7	3.7	3.7
- Specific Grant (Social Care/PH)	8.1	8.1	8.1
Retained Business Rates	22.4	24.9*	26.9*
Council Tax	106.7	111.0	114.5
Sub Total	186.6	193.7	199.5
One - off resource announced as part of one year settlement - (see below)	12.3	-	-
Total	198.9	193.7	199.5

*assumes a neutral impact of the 75% retention proposals

** assumes funding for High Needs block continues for 3 years

Government Funding (BRR model)

Government funding is received in line with calculations through the BRR model. The model makes an assessment of how much business rate income each local authority will raise and allocates grant on the following basis:

- Revenue Support Grant (RSG);
- Top Up Grant; and
- Section 31 Grant.

Revenue Support Grant (RSG): This is the traditional way that Government has supported local authorities.

Assumptions: Government have confirmed that 2021/22 RSG will increase in line with inflation. The S151 Officer will review the assumptions on RSG in future years in line with further information released from the Government e.g. the Spring Budget or Autumn 2021 Spending Review.

Top Up Grant: When the BRR model was introduced in 2013/14, the new system benefitted some authorities at the expense of others. A self-financing mechanism was introduced to ensure that the introduction of the new scheme would be broadly neutral with 'losing' authorities such as Barnsley, receiving 'top up' payments from 'gaining' authorities who pay a tariff.

Assumption: Top up grant is inflated based on September CPI figures. Estimates of 1% have been made for 2022/23 and 2023/24. It is expected that top up grant will be reset as part of the ongoing Fair Funding and Business Rates Retention reviews.

Section 31 Grant: This largely relates to compensation payments from Government when they introduce a policy change that leaves a local authority in a worse financial position than it would otherwise be in e.g. awarding business rate reliefs to small businesses.

Assumption: No changes to the allocation assumed over the planning period. It is expected that this grant will be rolled into the Business Rates re-set.

Retained Business Rates

Barnsley currently retains 50% of its locally collected business rates (including 1% that is paid over to the SY Fire and Rescue Authority) with the remaining 50% paid over to Central Government. Although the Government make an assessment around how much they expect the Council to collect, this is only undertaken to assess how much RSG to pay to local authorities. Our business rates income is derived from what we actually collect; not via Government grant.

Compared to government grant, business rates income represents a much more volatile income stream for the Council.

The Council benefits if more is collected than is estimated (based on Government forecasts) although this has not been our experience since the BRR model was first introduced in 2013. Even pre-COVID, we had witnessed very little growth.

The Council has also had to contend with issues that affect how we plan for future business rate income. These include academies (and potentially NHS trusts) receiving charitable relief from paying business rates and appeals by businesses against their bills which can be backdated over a long period of time; all of which make planning our future resource levels much more difficult to forecast.

In addition, the fallout from COVID 19 is expected to impact the business community significantly during 2021/22 and beyond. As a result, the current

estimate of the Council's local share has been adjusted to reflect potential business failure / non-collection.

Assumptions: Business Rates adjusted for inflation across all years and a net tax base reduction of 5% in 2021/22 (recovering thereafter);

Council Tax

The Government establish a threshold to limit the level of future Council Tax increases by requiring local authorities to carry out referendums above a certain level of increase. The referendum threshold set by the Government for 2021/22 is 2%.

As part of the one-year settlement, Government have again announced that they would allow authorities with Adult Social Care (ASC) responsibilities to raise Council Tax by a further 3% over the period 2021 - 2023.

For illustrative purposes the current forecast assumes:

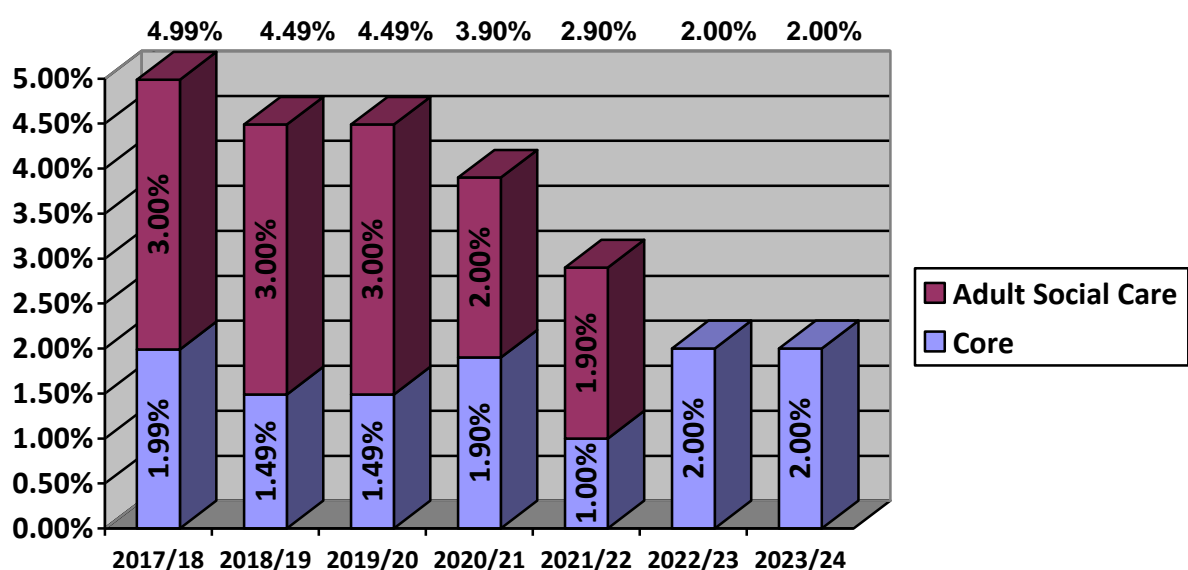
2021/22 2.9% (1.4% Core Services / 1.5% Adult Social Care);

There has been no further Government guidance for the following two years of the forecast and therefore as a prudent approach, the forecast assumes the following increases:

2022/23 2.0% (2% Core Services)*
2023/24 2.0% (2% Core Services)

*option to increase by a further 1.5% for Adult Social Care in 2022/23.

The chart below shows the council tax increases forecast over period from 2017-2023



A review of the Council's tax base has been carried out and the forecast assumes an increase of 1,300 Band D equivalent properties in 2021/22.

However, the forecast also assumes a significant increase in the number of households claiming Local Council Tax Support during 2021/22 [as a result of the pandemic] more than offsetting this growth before partly recovering in 2022/23.

The Council expects to receive an allocation (estimated to be in the region of £2.3M) from Government to offset some of its LCTS losses and / or to provide additional support to low income households with council tax bills. A new scheme is currently in the process of being devised.

Over the period 2022 – 2024, further growth of 800 Band D equivalent properties per year is estimated. This is deemed prudent in light of the recently adopted Local Plan and subsequent area master plans which identify land for housing development. The estimates for Council Tax Income collection are based on a collection rate of 95%.

In addition, a review of the Collection Fund Reserve has also been undertaken and it is recommended that the following sums can be prudently released into the forecast;

2021/22	£3.200M
2022/23	£3.200M
2023/24	£3.200M

A paper on the different council tax options is provided in the 2021/22 budget pack for information.

Assumptions: The forecast assumes a 2.9% Council Tax increase in 2021/22 and 2% thereafter. The Council Tax base assumes growth of 1,300 new Band D equivalent properties in 2021/22, and 800 properties thereafter. This growth is offset by an estimated increase in the number of LCTS claimants of 1,500 in 2021/22, reducing to 1,000 in 2022/23.

COVID 19 Emergency Funding

During 2020/21, to support the COVID 19 response, the Government announced £4.6BN of emergency funding. Barnsley has received £23M. As part of the one-year spending review, the Government have announced a further £1.55BN of emergency funding to support the ongoing recovery. It is estimated that Barnsley will receive around £7.8M which is to be set aside to support the COVID 19 recovery.

Social Care (Better Care) Funding

In 2020/21, the Government set aside £1.4BN funding specifically for Social Care. The share for Barnsley equated to £7.8M. As part of the 2020 Spending Review, the Chancellor has announced a further £300M of which Barnsley's share is £2.3M (giving a total of £10.1M).

In addition, councils can also levy a further adult social care precept of up to 3% spread over 2 years.

The biggest single grant from the Government for ASC is the improved Better Care Fund (iBCF). The Government has awarded iBCF to local authorities to address adult social care pressures in two tranches with the second tranche effectively front loading the initial allocations to take account of immediately pressing ASC requirements. IBCF funding has only been announced up to 2021/22 to coincide with Government planning cycles.

In addition, the spending review also confirmed that the one-off Improved Better Care Fund will be rolled forward into 2021/22, equating to an additional unplanned £1.7M for Barnsley. This funding is to be set aside to support the ongoing pressures in social care as a result of COVID 19.

Assumptions: The Council's forecast assumes that the Better Care Fund grant (first awarded in 2017/18) will continue in perpetuity and is effectively core funding.

Fees and Charges & Other Non-Core Income

The Council's fees and charges policy established a corporate framework within which all decisions on the implementation and/ or changes to the levels of fees and charges can be considered and approved.

Fees and charges are either used to bridge the deficits in the MTFS or used for service mitigations. The 2021/22 Fees and Charges policy is included within the 2021/22 Budget setting pack.

SECTION E – THE COUNCIL’S SPENDING PLANS

The Council reviews its spending plans on an iterative basis. At a corporate level, it categorises future spend in three ways:

- Fixed and ongoing commitments;
- Policy or investment decisions; and
- Demographic and/ or demand factors.

The incremental increases are shown below:

	2021/22 £M	2022/23 £M	2023/24 £M
<i>Base Budget b/f</i>	172.6	193.8	203.8
Fixed & Ongoing	5.3	4.2	7.1
Demographic & Demand	11.3	2.3	2.8
Policy / Investment	4.6	3.5	0.5
Sub Total	193.8	203.8	214.2

Fixed and Ongoing Commitments

The Council has a number of ongoing commitments. These are largely linked to the inflationary impact of our spending commitments. The assumptions underpinning fixed and ongoing changes are as follows:

- Pay award & contractual inflation at 2% over the next 3 years;
- National Living Wage annual uplift in fees for adult social care is 2.1% for residential / nursing care provision and 2.2% for non-residential care (e.g. domiciliary care) for the 2021/22 financial year. An increase of 1.2% (based on CPI) is assumed for those care provision where the annual uplift is linked to general inflationary increase.
- Pension increases reflecting the anticipated actuarial assessment.

Policy & Investment Decisions

Whilst our resources have been significantly cut, it remains necessary to invest in our priorities to ensure that as a Council and as a Borough, we are in the best possible place to deal with the future financial landscape (e.g. the funding reforms proposed by Government).

The most significant investment in our MTFs is to our town centre and our markets. The Glassworks scheme will alter and significantly improve our town centre offer with the aim of not only giving our residents a 21st century marketplace but encouraging new businesses into the area. This investment is also potentially beneficial within the context of the Government’s proposed funding reforms and may assist with the Council’s future financial sustainability.

The updated forecast has de-risked the Council’s base budget from any shortfall in the income assumptions per the Glassworks Business Case.

Demographic and Demand – Provision for the ongoing impact of COVID 19

In addition to fixed and ongoing commitments, there are a number of demand led costs that we need to provide for in the forecast. Following the COVID 19 pandemic, the MTFS is set within the context of the global pandemic and the impact it is having on Council / public finances. Within this uncertain outlook, the future MTFS / Reserves Strategies have set aside resources which:

- Allow the Council to continue with the ongoing emergency response effort [impacted by the latest escalation in case numbers & new tier restrictions];
- Support the recovery of the organisation and place; and
- Reflect the ongoing impact of COVID 19 on the provision and cost of key services in 2021/22 and beyond.

This includes the following specific coverage to facilitate our continued emergency response and recovery beyond the current financial year and into the late summer of 2021 if that is necessary:

- Funding of a generic resource pool to provide additional organisational resilience as well as all other resources required to maintain the current heightened response;
- Provision to safeguard, as far as is possible, those local businesses most adversely impacted by the pandemic;
- Provision to continue to support our most vulnerable residents; and
- Provision for a fall in the Council's key income (fees and charges) sources.

In addition, the forecast also provided for the costs of general increases in demand for key services. Such costs generally relate to population changes (e.g. no. of elderly people, no. of children in care and requiring transport etc.) but can also arise from global market changes that are incredibly difficult to foresee (e.g. income from recycled products).

The Council assesses these issues in a systematic, strategic way with plans in place to address their predicted impact. These plans include a financial impact assessment and an outline of our approach to mitigate key demographic issues. The process that is followed for the key demographic pressures is provided at Appendix 2

SECTION F – THE COUNCIL’S FINANCIAL PLANNING FRAMEWORK

Having set out all the key assumptions around our future core resources and spending plans (see Sections D & E above) the revised financial forecast shows the following gaps:

	2020/21 £M	2021/22 £M	2022/23 £M
Core Spending (Section E)	193.8	203.8	214.2
Core Resources (Section D)	-186.6	-193.7	-199.5
Deficit – prior to savings	7.2	10.1	14.7

The following section describes our financial planning framework and the process for delivering a balanced position both in the short and medium term.

Our Financial Planning Framework

The Council has a strong financial framework in place that aligns ongoing resources to priorities. It is a fully integrated process that considers and approves our key financial strategies / budgets (capital and revenue) at the same time so the impact of considering relative priorities is transparent to Members.

The process has been outlined in previous sections which the diagram below summarises:



The forecast is rolled forward as soon as the previous year's budget has been approved. This commences an iterative process to identify issues and pressures along with a plan to deal with them.

Integral to the financial planning process is a robust budget monitoring process where we report our financial and non-financial performance into Cabinet on a quarterly basis. This also includes a 'Financial Outlook' section to report any underlying issues.

This is a vital and, to date, successful process for ensuring that our underlying position is robust and where issues or overspends arise, a project focused approach is put in place.

A further reflection of our financial health is the external scrutiny we receive. This is ultimately embodied in the external audit opinion. We have had unqualified opinions on both our accounts and VFM statements for a number of years including the most recent for 2019/20 which is again reflective of a robust financial planning framework. As mentioned previously, CIPFA's financial resilience assessment also shows that the Council is currently in a stable financial position.

Balancing the MTFS

Since 2015/16, the financial strategy has sought to put in place a balanced position for, at least, a minimum 2-year period. This is no different for this planning period, but this year our Be Even Better Strategy, as set out in the separate report accompanying this paper, has been introduced, which seeks to capture our emerging 2030 thinking, the next iteration of our Council plan, learning from our COVID recovery and renewal and other key strategy 'refreshes' e.g. a new Organisation Development strategy.

The strategy also establishes a framework to address the deficits highlighted above:

- Developing a new Council wide Improvement & Efficiency programme;
- Working with partners across health and social care [the 'efficiency executive'] to improve outcomes and deliver efficiency across the sector;
- Working to secure additional external funding through the SCR devolution deal as well as through other government funding opportunities; and
- Pushing forward with the growth proposals agreed in our Local Plan to ensure that housing & economic buoyancy is maintained, and the resources attached to that [such as council tax & business rates] are maximised.

The SMT have developed a further Improvement and Efficiency programme driven by a reset of the Council's strategic intent. This programme proposes a

number of efficiency proposals for implementation during 2021/22 and introduces further options to address the deficit over the period 2022-2024.

The revised forecast position, following the approval of the savings proposals, is set out below with a Detailed forecast is provided in Appendix A:

	2021/22	2022/23	2023/24
	£M	£M	£M
Deficit (prior to efficiencies)	7.2	10.1	14.7
<i>2021/22 Efficiencies</i>	-7.2	-7.2	-7.2
<i>2022/23 Efficiencies</i>	-	-3.3	-3.3
<i>2023/23 Efficiencies</i>	-	-	-2.4
Sub Total – Efficiencies	-7.2	-10.5	-12.9
Revised Forecast (post efficiencies)	0.0	-0.4	1.8

SECTION G – KEY ASSUMPTIONS & RISK ASSESSMENT

Key Assumptions

As outlined in the body of this report, the forecast is underpinned by a number of key assumptions for the planning period 2021/22 – 2023/24. These are subject to change particularly in light of the uncertain economic landscape and the proposals to reform local government funding.

The key assumptions are outlined in the table below:

Forecast Item	Assumption
<i>Expenditure Items</i>	
Pay Awards & Contracts	Pay and contractual inflation is included at 2% over the full planning period. All other inflation is to be contained by services.
Interest Rate Fluctuations	Currently interest rates are very low and are only likely to increase. Whilst some protection has been awarded by locking in rates, interest rate rises do pose a cost risk.
<i>Income Items</i>	
Business Rates	Inflated in line with estimated inflation but reduced to reflect some business failure in 2021/22 due to impact of COVID 19, partly recovering in 2022/23.
Core Government Grant	2021/22 based on a rollforward position, year on year increased in line with inflation. Subject to review following the 2022-2025 CSR/Fair funding Review.
Council Tax	Inflated by 2.9% in 2021/22 (1.4% core and 1.5% Adult Social Care), and 2% thereafter.
Fees & Charges	Increased on a case by case basis within the Council's overall fees and charges framework
Improved Better Care Fund/ Social Care Grants	Continuation of the iBCF and other social care grants (@£18M) into 2021/22 & onwards.
New Homes Bonus	Not included in MTFS. NHB is treated as one off funding and included in our reserves position / strategy.

Sensitivity Analysis

A sensitivity / risk assessment of the 2021 - 2024 forecast has been produced which clearly identifies the key areas that may have a significant impact on the delivery of the Medium-Term Financial Strategy.

2021/22 IMPACT (+ equals extra cost / income reduction / - equals cost reduction / extra income)

-5.00% Variation £M	-2.50% Variation £M	Forecast Item	+1.00% Variation £M	+2.00% Variation £M
EXPENDITURE				
N/A as would assume pay cuts	N/A as would assume pay cuts	Pay Awards & Contracts	+1.330	+2.660
N/A - prevailing interest rates too low to bear a 5% reduction	N/A - prevailing interest rates too low to bear a 2% reduction	Interest Rate Fluctuations	+0.715	+1.430
INCOME				
+1.118	+0.559	Business Rates	-0.224	-0.448
+0.638	+0.319	Core Government Grant	-0.128	-0.256
+5.315	+2.657	Council Tax	1.063	2.126
+2.200	+1.100	Fees & Charges	-0.440	-0.880
+0.900	+0.450	Improved Better Care Fund / Social Care Grant	-0.180	-0.360

2022/23 IMPACT (+ equals extra cost / income reduction / - equals cost reduction / extra income)

-5.00% Variation £M	-2.50% Variation £M	Forecast Item	+1.00% Variation £M	+2.00% Variation £M
EXPENDITURE				
N/A as would assume pay cuts	N/A as would assume pay cuts	Pay Awards & Contracts	+1.205	+2.410
N/A - prevailing interest rates too low to bear a 5% reduction	N/A - prevailing interest rates too low for a 2% reduction	Interest Rate Fluctuations	+0.715	+1.430
INCOME				
+1.118	+0.559	Business Rates	-0.224	-0.448
+0.642	+0.321	Core Government Grant	-0.129	-0.258
+5.558	+2.779	Council Tax	-1.111	-2.222
+2.200	+1.100	Fees & Charges	-0.440	-0.880
+0.904	+0.452	Better Care Fund / Social Care Grant	-0.181	-0.362

2023/24 IMPACT (+ equals extra cost / income reduction / - equals cost reduction / extra income)

-5.00% Variation £M	-2.50% Variation £M	Forecast Item	+1.00% Variation £M	+2.00% Variation £M
EXPENDITURE				
N/A as would assume pay cuts	N/A as would assume pay cuts	Pay Awards & Contracts	+1.205	+2.410
N/A - prevailing interest rates too low to bear a 5% reduction	N/A - prevailing interest rates too low to bear a 5% reduction	Interest Rate Fluctuations	+0.715	+1.430
INCOME				
+1.240	+0.620	Business Rates	-0.249	-0.498
+0.650	+0.325	Core Government Grant	-0.130	-0.260
+5.400	+2.700	Council Tax	-1.080	-2.160
+2.200	+1.100	Fees & Charges	-0.440	-0.880
+0.908	+0.454	Better Care Fund / Social Care Grant	-0.182	-0.364

Risk Assessment

The key risks underpinning the forecast (based on value) are shown in detail below. It is considered that the underlying assumptions of the current MTFS are prudent given the level of future uncertainty and potential for change.

Forecast Item	Budget £M	Comment/ Mitigation
Budget Reductions / Efficiency Savings	12.9	Delivery plans in place for 2021/22 (£7.2M) and 2022 – 2024 (£5.7M) with a proposal to delay any formalised approach to dealing with the 2023/24 deficit until greater clarity is gained from the ongoing impact of COVID 19, the UK's exit from the European Union, the Government's Comprehensive Spending Review and its impending reforms around Fair Funding and Business Rates Retention.
Government Funding	12.8	Budget shown is the estimated position as at the end of 2023. Estimated government funding for 2021/22 has been released and future projections for 2022/23 and 2023/24 are included on a prudent basis.
Improved Better Care Fund / Social Care Grant	20.2	No indication to date that Government will reduce/remove this funding. More information expected during 2021/22 as part of the Fair Funding Review and green paper on ASC.
Council Tax	114.1	Budget shown is estimated position as at the end of 2024. Council tax Increases of 2.9% is assumed in 2021/22 and with 2% thereafter. A prudent assumption has been made on tax base growth as well as reflecting the ongoing impact as a result of COVID 19.
Pay Awards	7.8	Provision made for a 2% pay award in each year to 2024.
Demography / Demands	17.0	Budget shows provision made in MTFS over the full planning period through to 2024. Provision has been made for the ongoing impact of COVID 19 together with general demography demands. This position will be monitored rigorously throughout each year with forecasts being updated as necessary and separate mitigations being put in place.

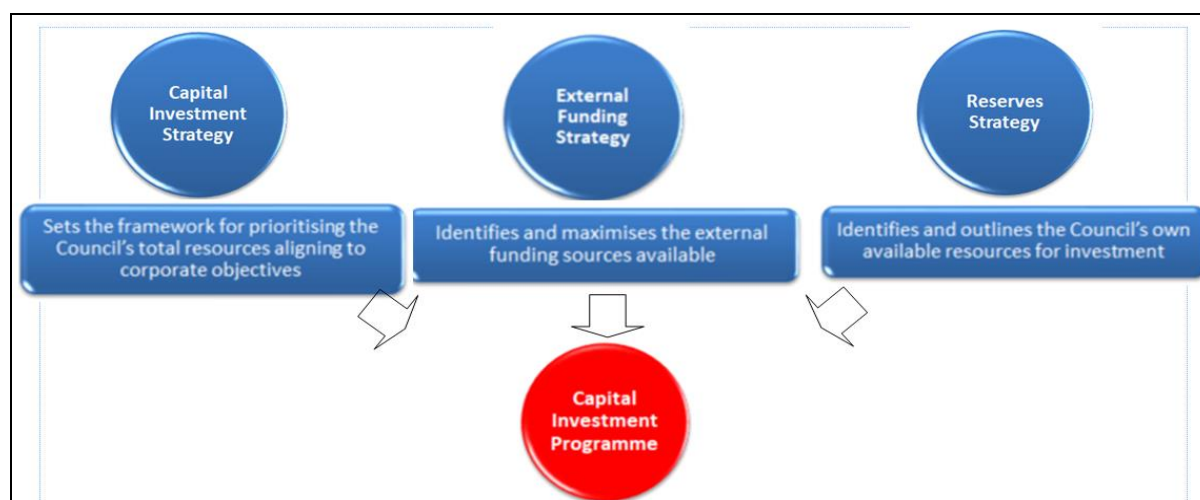
SECTION H – THE COUNCIL’S CAPITAL INVESTMENT STRATEGY

The proposed 2021/22 Capital Investment Programme is largely derived via detailed consideration of the following three key strategies:

- **The Capital Investment Strategy 2021/22** – this strategy sets out the overall framework for identifying and prioritising the Council’s Capital Investment Priorities and seeks to align those priorities against all available resources;
- **The External Funding Strategy (yet to be approved)** – this strategy will provide a framework that supports the Council in identifying and then optimising all external funding opportunities in support of the Council’s strategic objectives; and
- **The Reserves Strategy 2021/22** – this strategy aims to maximise, and efficiently allocate, all available internal balances (e.g. year-end underspends) and “one off” resources (e.g. capital receipts) to support investment proposals that achieve the delivery of the Council’s strategic objectives. *NB In very exceptional circumstances reserves are used as an overall bridging strategy for the Council’s budget which the current COVID pandemic is.*

All three strategies work together to identify priorities and all available resource options (whether they be internal, external or combined) to progress our ‘pipeline’ of investment proposals that meet the Council’s priorities. The strategies also work to identify where any funding gaps or barriers, such as funding eligibility, exist.

The diagram below describes the interaction between these strategies when considering investment proposals.



The proposals and priorities are summarised in the table below with further information being provided in this budget pack:

<u>Council Theme</u>	Immediate Priority	Pending Funding Bids / Government Allocations	Progress to Feasibility / Business Case Development	Pipeline	Total
	£M	£M	£M	£M	£M
Total Capital Investment Proposals	6.174	116.269	68.586	223.263	414.292
Split Between:					
General Fund	2.817	116.269	68.586	204.600	392.272
Housing	3.357	-	-	18.663	22.020
Total	6.174	116.269	68.586	223.263	414.292

SECTION I APPENDICES

Appendix 1 – Detailed Medium Term Financial Forecast

Appendix 2 – Process for Addressing Demographic Pressures

MEDIUM TERM FINANCIAL FORECAST 2021 – 2024

	FORECAST 2021/22 £m		FORECAST 2022/23 £m		FORECAST 2023/24 £m	
EXPENDITURE:						
<u>1. Base Net Expenditure (Net of Schools)</u>						
Revised Base Position		172.577		186.588		193.311
<u>2. Fixed and Ongoing (already reported)</u>						
Pay Award, National Insurance and NJC Pay Review in 21/22	2.059		2.121		2.121	
Increments	0.599		0.290		0.290	
Pension - Actuarial Assessment 2020-2023	0.380				2.900	
Other Inflation (inc BSF)	0.715		0.715		0.715	
Financing Capital New Starts Programme & MRP	1.070		0.570		0.570	
SEND	0.500		0.500		0.500	
		5.323		4.196		7.096
<u>3. Demographic and Demand</u>						
Waste - Covid costs	0.750					
Waste - Demographics	0.200		0.200		0.200	
Home To School - Covid costs	1.000					
Home To School - Demographics	0.400		0.200		0.200	
Children's Social Care (Demographics/base issues)	1.500		0.195		0.195	
National Living Wage /Inflationary Increases Adult Social Care	2.659		1.832		1.832	
Additional Cost of ASC - Covid Related	5.072					
Adults Social Care - Demographics			0.605		0.605	
Covid Contingency - Costs & Income	2.900		-0.705		-0.208	
Demographics Contingency	-3.200					
		11.281		2.327		2.824
<u>4. Investment & Other Policy Issues</u>						
Town Centre	4.300		3.500		0.500	
Provision for Youth Zone	0.300					
		4.600		3.500		0.500
TOTAL EXPENDITURE BEFORE EFFICIENCIES		193.780		196.611		203.731
<u>5. Efficiency Proposals</u>						
2020 Efficiency Programme	-7.192		-3.300		-2.420	
		-7.192		-3.300		-2.420
TOTAL EXPENDITURE		186.588		193.311		201.311

RESOURCES:**6. Core Resources**Council Tax

Council Tax Income inc Base

Council Tax Collection Fund Surplus

100.797
3.200103.452
3.200107.752
3.200

103.997

106.652

110.952

Business Rates Retention (BRR)

Local Share - Business Rates

Local Share - Top Up Grant

S31 Grant for 2% Capping - Top Up

Revenue Support Grant (RSG)

23.614
32.840
0.552
8.53922.364
32.735
0.552
13.02524.864
33.035
0.552
13.025

65.545

68.676

71.476

S31 Grant Per NNDR1 form (Business Rates)

S31 Grant for Small Business Rate Relief

3.035

3.160

3.160

3.035

3.160

3.160

Additional Changes

Public Health Grant

Social Care grant

0.000

8.100

8.100

Core Resources b/f**172.577****186.588****193.688****7. Change in Resources**Council Tax

Council Tax increase in tax base

LCTS New Claims - 3000 in 21/22 falling back to 2000 in 22/23

Council Tax increase (@ 2.9% +2% in future years)

2.050

-2.400

3.005

1.300

0.800

2.200

1.300

2.200

2.655

4.300

3.500

Business Rates Retention (BRR) scheme

Local Share Business Rate Growth move to 75% share

Business Rates multiplier @ 1%

Top Up Grant inflation @ 2%

Changes to Public Health Grant

Additional S31 Grant for Policy Changes

Changes to Social Care

Changes to RSG

-1.500

0.250

-0.105

0.300

0.125

7.800

4.486

2.250

0.250

0.300

1.750

0.250

0.300

11.356

2.800

2.300

TOTAL RESOURCES**186.588****193.688****199.488****NET SHORTFALL****0.000****-0.377****1.823**

PROCESS FOR ADDRESSING DEMOGRAPHIC PRESSURES

Adult Social Care – Older People (OP)

Overview

Barnsley's population of adults aged 65+ has grown over recent years. There is an increasing demand and greater reliance on adult social services. Whilst the numbers receiving support may not increase significantly, the cost of care packages are rising due to complexity of needs.

Strategy/Plan to manage demand

The demand for adult social care services (based on current and future needs) and the service provision to meet such needs is outlined in the Council's *Market Position Statement*. This is informed by other corporate strategies/plans such as the: *Health & Wellbeing Board strategy* and the *Joint Strategic Needs Assessment (JNSA)*.

Approach to forecasting demand

The following approach has been used to project future demographic changes and costs namely:-

- population projections analysed by age ranges;
- a trend analysis of numbers of OP supported with care packages; and
- actual spend by the Council including changes in the average cost of care packages to reflect the complexity of needs.

Allowable cost (& tolerances)

Demographic growth has been calculated and broadly applied against OP's net spend (i.e. residential / nursing, homecare and direct payments). It takes into account the level of client contributions and health funding. The impact of interventions has also been allowed for by using spend and activity data rather than ONS population analysis.

Adult Social Care – Learning Disabilities

Overview

There is a rise in the number of children with significant learning disabilities (LD) living longer and transitioning into adult services. Life expectancy of people with significant learning disabilities has increased. The complexity of needs is a challenge as it results in very high cost care packages.

Strategy/Plan to manage demand

Whilst the Council's *Market Position Statement* broadly outlines the service provision to meet identified needs of adults with learning disabilities, the *Transforming Care Plan / Strategy* specifically details the approach to addressing the long term care needs of

adults with very complex / significant learning disabilities within a community based setting.

Approach to forecasting demand

Population projections together with trend analysis of activity and spend data has been used as a basis for projecting future demographic impact. Changes in average cost of care packages over the years are a good indicator of complexity of needs.

Allowable cost (& tolerances)

Demographic growth has been calculated and broadly applied against LD's net spend which incorporates significant contributions from the Health Service (e.g. S117) towards high cost care packages. The impact of specific interventions has been incorporated (e.g. supported living, high cost placement reviews, step-down enablement provisions etc).

Children's Social Care – Looked After Children (LAC)

Overview

There is an increasing demand for children services partly driven by growth in population (aged 0 – 17). However, the main financial pressures facing the Council in relation to children social care results from the rising number of children in care and associated placement costs. A residential care placement (e.g. secure welfare) could cost anything between £2k to £5k per week (ie upto £250k in a full year for a single case).

Strategy/Plan to manage demand

The *Looked after Children Placement & Sufficiency Strategy* details the council's approach to addressing the current/ future accommodation and support needs of children in care in the most efficient / cost effective way possible. A copy of the current strategy can be found in the attached link:

<https://barnsleymbc.moderngov.co.uk/documents/s34726/Appendix%201.pdf>

Approach to forecasting demand

Assumptions around the Council's LAC population in future years are forecast based on local (and regional) context, needs and trends. The strategy equally sets out an approach / action plan for managing LAC numbers with clear targets for the different placement types. Cost is forecast using average unit cost (local and benchmarking data).

Allowable cost (& tolerances)

Demographic growth has been applied to specific LAC placements e.g. residential care, fostering and other low cost placements. It takes into account the interventions / agreed actions to manage LAC numbers.

Special Educational Needs (SEN)

Overview

The Council continues to face increasing financial pressures (against the schools budget) in relation to SEN provision due to rising demand. There are increasing numbers of pupils with Education Health and Care (EHC) plans requiring additional educational support as well as a rising number of SEN pupils in 'Out of Authority' specialist placements.

Strategy/Plan to manage demand

The *SEN Pupils' Placement & Sufficiency Strategy* details the Council's approach to developing a more sustainable system for commissioning placements for pupils with EHC plans through investing in and improving the capacity of mainstream and specialist schools.

Approach to forecasting demand

Assumptions of the Council's future SEN needs are set out in the strategy based on local (and regional) context, needs and trends. The strategy equally sets out the commissioning actions for managing SEN numbers. This has also informed the assessment of the funding gap in future years.

Allowable cost (& tolerances)

Current / future funding from the Government and contributions from schools have been taken into account in assessing the funding gap facing the Council.

Commissioning actions / interventions have been costed and the impact reflected in the financial forecasts for SEN.

Homelessness

Overview

Homelessness and rough sleeping is on the increase both nationally and locally. Prevention is key in reducing homelessness but this is reliant on people seeking assistance at an early stage as well as workers/ officers identifying the risk of homelessness and putting in place appropriate support plans before people actually lose their homes. This is the focus of the new Homeless Reduction Act that came into force in April 2018.

Strategy/Plan to manage demand

Barnsley's new Homeless Prevention and Rough Sleeping strategy has recently been approved at:-

<https://www.barnsley.gov.uk/media/9406/homeless-prevention-and-rough-sleeping-strategy.pdf>

Approach to forecasting demand

The current forecast estimates the increasing demand for housing advice and support. This takes into account a significant rise in the use of temporary accommodation over the last couple of years. The projections also reflect an increase in the numbers of single people presenting as homeless who have a range of complex needs (egs offending, mental health and substance misuse) which require a multi-agency response.

Allowable cost (& tolerances)

Spend on temporary accommodation is also set to increase next year although the Council is in the process of looking to potentially use vacant council house properties as a mitigation.

Travel Assistance/ Home to School Transport

Overview

The Council has a statutory duty under Section 508A and 508D of the Education Act 1996 to ensure travel assistance is made available to facilitate attendance at school for eligible children and students. Since 2016/17, there has been a significant increase in the number of children eligible for Home to School Transport which is linked directly with the increase in the number of SEN children.

Strategy/Plan to manage demand

As a result of the above and to fulfil its duty, Cabinet introduced an updated Home To School/College Travel Assistance Policy in February 2018 (link to the [Home to School Policy](#)).

This policy sets out the framework under which eligible children and students will be supported including the different travel options available for consideration to assist with managing demand.

Approach to forecasting demand

A detailed review of ongoing demand has been undertaken including a review of the following factors:

- Pupil school census;
- % of SEN pupils;
- Population data;
- % of pupils requiring travel assistance for SEN;
- Out of Borough Placements for SEN;
- Mileage Reimbursement numbers;
- Average travel cost per school day;
- Number of vehicles used per school day;
- Number of escorts used per school day.

The review has enabled the Council to accurately forecast future demand together with calculating an associated cost.

Allowable cost (& tolerances)

Different forms of Travel Assistance transport are considered and selected based on suitability, cost and availability. Route optimisation is regularly considered. The Council is also currently seeking to introduce a dynamic purchasing system for transport providers.

Other Demographic/ Demand - Waste Pressures

Overview

The Council, as part of its Local Plan, has housing growth aspirations to build additional properties within the Borough which will create additional demand for local services. Whilst some of this demand will be supported by the additional council tax income generated from these properties, additional investment is inevitably required for the services impacted by additional housing such as waste collection and disposal.

Strategy/Plan to manage demand

The Council in conjunction with three other South Yorkshire authorities, have adopted the South Yorkshire Municipal Waste Strategy. This strategy's has 5 key priorities covering; 1. educating South Yorkshire residents to recycle more; 2. providing a more reliable service; 3. delivering value for money; 4. improving technology and 5. influencing decision-making on waste at a European, national and local level in order to drive further investment into waste infrastructure in the Sheffield City Region economy.

Approach to forecasting demand

Using data gathered from a variety of sources (including current and forecast waste tonnage levels, recycling rates and current national policies such as plastic reduction), an annual assessment is made of the likely financial impact of the requirement for additional waste collection, disposal and recycling. A corresponding investment is made in the service to reflect the estimated demand.

Allowable cost (& tolerances)

The additional cost of waste collection and disposal is allowed for in the forecast.

2021/22 COUNCIL TAX OPTIONS

1. **Introduction**

- 1.1 This report considers the calculation and options for setting Council Tax levels for 2021/22.

2. **Basis of Council Tax Calculation**

- 2.1 The following stages are involved in determining options for setting the Council Tax:
- 1) Determining the Council Tax base;
 - 2) A review of past performance in collecting Council Tax;
 - 3) Identifying the potential impact on the Council's Medium Term Financial Strategy of various Council Tax increases; and
 - 4) Options for setting the Council Tax in the context of national and local policy.

Step 1 – Determining the Council Tax Base

- 2.2 The Council Tax Base represents the estimated number of chargeable dwellings in the area, expressed in terms of Band D equivalent properties after allowing for disabled persons relief, discounts and other statutory adjustments.
- 2.3 The calculation of the tax base is further complicated by the Government's Local Government Finance reforms that took effect from 1st April 2013. These changes are summarised below.

Local Council Tax Support Scheme

- 2.4 The Local Council Tax Support Scheme (LCTS) was introduced in 2013/14. Funding for the scheme forms part of the overall resources allocated to the Council as part of the Local Government Finance Settlement.
- 2.5 Following a public consultation on the scheme in Autumn 2019, the Council approved a new scheme to be implemented from 1st April 2020. No further changes are proposed for 2021/22.
- 2.6 The outbreak of Covid 19 has resulted in a significant increase in the number of households claiming LCTS. It is expected that this increase will continue into 2021/22 with the tax base being adjusted accordingly.
- 2.7 Government have announced a new £670M Local Council Tax Support fund, to help councils manage the impact COVID 19 has had on those lowest income households. The Council has received a provisional allocation of £2.3M. A scheme of support has been devised, and it is proposed to provide a flat payment of £125 for all claimants.

Technical Changes to Council Tax

2.8 Since 2013/14, local authorities have been afforded discretion to charge Council Tax on second homes and empty properties. The Council's current policy is as follows:-

- A discount of 0% be applied to second homes and empty furnished homes;
- A discount of 25% be applied to properties that are vacant and undergoing repair or major structural alterations for up to 12 months, or 6 months after the completion of works, whichever is shorter;
- A discount of 8.3% (1 month) to be applied to properties that are vacant and unfurnished from the date the property becomes empty;
- A 100% premium to be charged on properties which have been empty and unfurnished for in excess of two years;
- A 200% premium be charged on properties which have been empty and unfurnished for in excess of five years; and
- A 300% premium be charged on properties which have been empty and unfurnished for in excess of ten years.

2.9 The 2021/22 Council Tax Base report approved in January 2021 (Cab.13.1.2021/6 refers) set a tax base of 65,226.24.

Step 2 - Review of Performance in Collecting Council Tax

2.10 Cabinet has received regular updates on the performance in Council Tax collection. As reported the Covid 19 pandemic has clearly impacted on collection rates during the year. Government has announced compensation for losses in collection as part of the 2020 Comprehensive Spending Review.

2.11 As at the end of Quarter 3 in 2020/21, the current collection rate performance was below the target set at the start of 2020/21 financial year. It is anticipated that collection rates will improve in 2021/22, and as such no adjustments have been made to collection rate targets for 2021/22. Collection rates will be monitored even more closely as the borough recovers from Covid 19 throughout 2021/22 and reported to Cabinet accordingly.

Step 3 – Potential Council Tax Yields 2021/22

2.12 Table 1 below provides information on the estimated Council Tax yields that could be generated based on the currently estimated Council Tax base at different levels of tax increase.

Table 1 – Council Tax Options (2021/22)

% Increase	0% £M	1.00% £M	2.00% £M	2.50% £M	2.90% £M	3.00% £M	3.50% £M	4.00% £M	4.50% £M	5.00% £M
Council Tax Income	100.536	101.541	102.547	103.049	103.451	103.552	104.055	104.557	105.060	105.563
Collection Fund Surplus	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200
Total Council Tax Income	103.736	104.741	105.747	106.249	106.651	106.752	107.255	107.757	108.260	108.763

2.13 Each 1% increase in our Band D Council Tax generates additional income of approximately **£1.006M** per annum recurrently (0.5% = £0.503M).

2.14 Table 2 below provides an analysis of the impact of the various increases on the actual Council Tax for council services for each band.

Table 2 – Indicative 2021/22 Council Tax Levels for BMBC Services

% Increase	0.00%	1.00%	2.00%	2.50%	2.90%	3.00%	3.50%	4.00%	4.50%	5.00%
Band A-	856.29	864.85	873.41	877.69	881.12	881.97	886.26	890.54	894.82	899.10
Band A	1027.55	1,037.82	1,048.10	1,053.24	1,057.35	1,058.37	1,063.51	1,068.65	1,073.79	1,078.93
Band B	1,198.81	1,210.80	1,222.78	1,228.78	1,233.57	1,234.77	1,240.77	1,246.76	1,252.75	1,258.75
Band C	1,370.07	1,383.77	1,397.47	1,404.32	1,409.80	1,411.17	1,418.02	1,424.87	1,431.72	1,438.57
Band D	1,541.34	1,556.75	1,572.17	1,579.87	1,586.04	1,587.58	1,595.29	1,602.99	1,610.70	1,618.41
Band E	1,883.84	1,902.68	1,921.52	1,930.94	1,938.47	1,940.36	1,949.78	1,959.20	1,968.62	1,978.03
Band F	2,226.37	2,248.63	2,270.89	2,282.03	2,290.93	2,293.16	2,304.29	2,315.42	2,326.55	2,337.69
Band G	2,568.88	2,594.57	2,620.26	2,633.10	2,643.38	2,645.94	2,658.79	2,671.63	2,684.48	2,697.32
Band H	3,082.66	3,113.49	3,144.32	3,159.73	3,172.06	3,175.14	3,190.56	3,205.97	3,221.38	3,236.79

2.15 It must be noted that the final overall Council Tax increase for properties in the borough will also depend on the precepts levied by the Police and Fire Authorities. These are currently being discussed by the respective authorities. If the maximum increases are made during 2021/22 (assumed to be 2% for Police and 1.99% for Fire) it will equate to an additional 0.35% to the overall headline Council Tax increase.

Step 4 – Options for Setting Council Tax in the Context of National and Local Policy

Options for 2021/22

Council Tax Referendums and Council Tax Capping

General Services

2.16 Chapter 4ZA of Part 1 of the Local Government Finance Act 1992, makes provision for Council Tax referendums to be held if an authority increases its Council Tax by an

amount exceeding principles determined by the Secretary of State and agreed by Parliament.

2.17 The Secretary of State for Housing, Communities and Local Government announced as part of the 2021 Local Government Settlement, that the referendum principles would be set allowing for up to a 2% increase in Council Tax for general (core) services, before the requirement to hold a referendum. There remains the option to increase Council Tax above 2% and thus hold a referendum. The cost of holding a referendum is estimated to be around £0.4M so any additional income received for increases above 2% would be needed to cover this cost.

Additional Flexibility for Adult Social Care Pressures

2.18 Members will recall the further flexibilities Government made to local authorities around the Adult Social Care (ASC) precept. This flexibility was offered in recognition of the increasing demand for ASC services arising from demographic pressures and the consequential impact on Council budgets and permitted authorities to introduce total increases of 6% over the period 2017-2021.

2.19 Such pressures have clearly impacted on Barnsley over the last four years and continue to increase moving forwards especially on the back of Covid 19. The Council took the decision to implement the full 8% increase over the period 2017 - 2021 (3% in 2017/18, 1.5% in 2018/19, 1.5% in 2019/20 and 2% in 2020/21).

2.20 As part of the one year settlement for 2021 and as a result of Covid 19, the Chancellor of the Exchequer announced a consultation process to allow a further ASC precept of upto 3% which can be spread over the next 2 year [to 2022/23]. As mentioned above each 1% generates £1M of additional resources.

2.21 Table 3 below provides an analysis of the impact of an additional 2.9% increase (1.4% for Core Services plus 1.5% for ASC) on the actual Council Tax for our residents for each band.

Table 3 – Indicative 2021/22 Council Tax Levels at 2.9%

		GENERAL INCREASE		ADULT SOCIAL CARE PRECEPT		CUMULATIVE INCREASE		2021/22 TOTAL	
% Increase	0.00%	1.40%		1.50%		2.90%			
BAND	Current Annual Charge	Annual Increase	Weekly Increase	Annual Increase	Weekly Increase	Annual Increase	Weekly Increase	Annual Cost	Weekly Cost
Band A-	856.29	11.99	0.16	12.84	0.31	24.83	0.48	881.12	16.94
Band A	1,027.55	14.39	0.20	15.41	0.38	29.80	0.57	1,057.35	20.33
Band B	1,198.81	16.78	0.23	17.99	0.44	34.77	0.67	1,233.57	23.72
Band C	1,370.07	19.18	0.26	20.55	0.50	39.73	0.76	1,409.80	27.11
Band D	1,541.34	21.58	0.30	23.12	0.56	44.70	0.86	1,586.04	30.50
Band E	1,883.84	26.37	0.36	28.26	0.69	54.63	1.05	1,938.47	37.28
Band F	2,226.37	31.17	0.43	33.39	0.81	64.56	1.24	2,290.93	44.06
Band G	2,568.88	35.96	0.49	38.53	0.94	74.50	1.43	2,643.38	50.83
Band H	3,082.66	43.16	0.59	46.24	1.13	89.40	1.72	3,172.06	61.00

Conclusion

2.22 Covid 19 has created significant ongoing financial pressures for the Council, in particular on the cost of Adult Social Care. Members will need to give careful consideration as to whether to:

- Increase Council Tax over and above the referendum cap and hold a referendum; or
- Increase Council Tax up to the existing 2% referendum cap for general (core) services (proposal to increase by 1.4%);
- Take up the flexibility of an additional increase of up to 3.0% to fund Adult Social Care pressures (proposal to increase by 1.5%).

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RESERVES STRATEGY UPDATE

1. Purpose of Report - COVID

- 1.1 The purpose of the report is to update the Council's Reserves position from the last report in February 2020 following the closure of the 2019/20 accounts. The planning period has also been extended to 2023/24 to align with the Council's Medium Term Financial Strategy (MTFS) and incorporates the impact of Covid 19 on the Council's position.
- 1.2 The report will provide i) a reminder of the Council's current Reserves Strategy, ii) an updated Reserves position, iii) a list of the Council's existing commitments / investments against the Council's reserves and iv) the level of available reserves along with a recommended approach for its future investment.

2. Recommendations

- 2.1 **Note the updated reserves position shown in Table 1;**
- 2.2 **Note the existing earmarkings and commitments summarised in Table 2 and shown in detail at Appendix 2a and Appendix 2b;**
- 2.3 **Agree that the remaining £8.2M Capital Programme Reserve continues to be earmarked as a contingency for the Glass Works development and the wider capital programme given the current level of economic uncertainty at this stage; and**
- 2.4 **In addition to 2.3 above, approve that £25.1M (GF £21.7M & HRA £3.4M) is made available for additional future investment in line with the Council's Capital Investment Strategy subject to clarity on the Council's financial position post Covid and the Government's CSR review.**

3. Background

Reserves Strategy

- 3.1 The Council has a medium term financial planning framework that incorporates a rolling 3 year forecast and reserves strategy.
- 3.2 One of the key components of the Council's Reserves Strategy is to maximise balances / one off resources. We do this through a range of strategies / activities including:-
 - establishing a rolling 5 year Asset Management Strategy that supports the national One Public Estate programme and seeks to maximise capital receipts through the sale of appropriate Council assets;
 - implementing other strategies (e.g. External Funding, Commercial, Digital First) to ensure we both maximise and efficiently use our available resources and in turn 'free up' Council's balances for one off investments / commitments; and

- delivering year end underspends to bolster the Council's reserves position wherever possible.

- 3.3 The Council's strategy for using available one-off resources to deliver our objectives is broadly outlined in our MTFS and fully detailed in the Capital Investment Strategy. It is based on the clear principle that we match ongoing spending requirements with ongoing income. As such, we only use reserves as a bridging strategy in very exceptional circumstances and although this has not been necessary for a number of years, the Covid pandemic will necessitate using reserves to cover the resulting costs not funded by the Government.
- 3.4 The Capital Investment Strategy sets out the framework for utilising the Council's available reserves which reflects the following criteria:-
- Setting aside contingencies required by Statute (e.g. Minimum Working Balance);
 - Investing in priority development / regeneration schemes focusing on, for example, inclusive growth;
 - Investing in 'one off' expenditure that delivers ongoing efficiencies / service improvement e.g. the Council's Invest to Grow Fund and/or its Commercial Fund; and
 - Setting aside provisions to fund known, one off service pressures / commitments (e.g. Covid19, SEND).

Updated Reserves Position

- 3.5 The closure of the 2019/20 accounts and the extension of the MTFS planning period to 2023/24 has resulted in an updated balances position for the Council as at 1 April 2020.
- 3.6 The closure of the Council's 2019/20 accounts resulted in an underspend position for both the General Fund and the HRA but the balances were earmarked to increase the Council's Minimum Working Balance and create a contingency to support the Council's recovery from the Covid crisis.
- 3.7 As mentioned, the Council has also rolled forward its planning period to 2023/24. This releases further resources that are expected to materialise in the extended period however these are prudently assessed and any 'release' is only made after ensuring that the Council's spending profiles remain within its 'banked' resources.
- 3.8 By extending the planning period to 2023/24, a further **£20.0M** is available for future investment in line with the borrowing allocation included in the Council's MTFS. This is a relatively modest allocation that reflects the S151 Officer's overall approach to minimise and manage the risks attached to the Council's overall debt levels whilst still providing for necessary and prudent investment in the Borough.
- 3.9 In addition, an allocation for other unbudgeted funding such as New Homes Bonus (NHB) is usually included when the Council's Reserves Strategy is rolled forward. The allocation for 2021/22 is £2.4M an increase of **£0.3M** on previous assumptions. This will be added to the amount available for future investment. Government have confirmed that they will consult on the future of NHB in the spring of 2021. Therefore, it is recommended that future projections beyond 2021/22 exclude NHB allocations at this stage because of the general uncertainty that exists around this particular funding stream.

- 3.10 Table 1 below summarises the Council's total balances as at 1 April 2020 along with an assumption of future resources. The position, as at 1 April 2020, is in line with the Council's 2019/20 Statement of Accounts (SOA). A full breakdown of projected future resources is provided at Appendix 1.

Table 1: Total Available Resources 2020/21-2023/24 (as at 1 April 2020)

	1 st April 2020 £M	Anticipated Future Resources £M	Total Balances £M
Reserves	133.875	71.763	205.638
Capital Receipts	15.989	4.772	20.761
Sub Total - GF	149.864	76.213	226.399
Housing	35.939	0.329	36.268
Berneslai Homes	7.723	-	7.723
Sub Total - Housing	43.662	0.329	43.991
GRAND TOTAL	193.526	76.864	270.390
	SOA	Appendix 1	

4. Current Use of Reserves

- 4.1 As shown at Table 1, the total level of balances available to the Council through to 2023/24 is £270.4M. However, previous Council decisions have already committed the vast majority of these balances. A summary of the approved earmarkings / investments is set out in Table 2 with further details provided at paragraphs 4.2 – 4.8.

Table 2: Current Use of Available Resources 2020/21-2023/24 (as at 1 April 2020)

	Earmarked Under Statute REVENUE £M	Earmarked - Invest to Save/ Future Commitments REVENUE £M	Earmarked - Future Capital Investments CAPITAL £M	Set Aside to Complete Schemes CAPITAL £M	Available to Invest CAPITAL £M	Available Resources TOTAL £M
Sub Total – GF	22.051	74.030	100.331	8.245	21.742	226.399
Sub Total – Housing	7.000	4.189	29.402	-	3.400	43.991
GRAND TOTAL	29.051	78.219	129.733	8.245	25.142	270.390
Appendix	2a	2b	2c	2d	2e	

Resources Earmarked under Statute

- 4.2 Certain resources are required to be earmarked under statute or are recommended to support good financial practice e.g. Minimum Working Balance (MWB). Table 3 summarises this category of earmarkings and a more detailed list is provided at Appendix 2a.

Table 3: Earmarked Resources under Statute (as at 1st April 2020)

Investment	Amount £M	Description
General Fund		
Minimum Working Balance	20.0	MWB set aside as a contingency for unforeseen events.
School Balances	2.1	Balances held for maintained schools.
Sub Total - GF	22.1	
Housing		
Minimum Working Balance	7.0	MWB set aside as a contingency for unforeseen events.
Sub Total - Housing	7.0	
TOTAL	29.1	

Resources Earmarked for Invest to Save/ Future Commitments

- 4.3 Cabinet has previously approved reserves to be set aside to fund Invest to Save schemes or to provide for known commitments / pressures such as looming Social Care pressures. These types of earmarkings tend to be revenue in nature. Table 4 below highlights the most significant examples under this category with a full list provided at Appendix 2b.

Table 4: Earmarked for Revenue Commitments/Investment (as at 1st April 2020)

Investment	Amount £M	Description
Social Care	10.0	Resources set aside to fund future priorities and pressures in Social Care.
Capital Financing	12.0	Resources earmarked in accordance with the agreed Treasury Management Strategy (e.g. MRP/ BSF).
Budget Mitigation / Organisational Re-design	4.9	Reserves set aside to fund costs (e.g. redundancy & pensions) associated with planning for 2030.
Insurance Fund	6.7	Resources earmarked in accordance with the Council's Insurance Strategy.
Covid Response	2.0	Contingency for dealing with the response.
Covid Recovery	1.9	Balances set aside for the recovery effort post Covid
Investments for specific corporate priorities	10.3	Key corporate priorities previously approved e.g. Invest to Grow fund, District Libraries Review and Town Centre Estate Management.
Directorate investment / commitments	26.2	Investments / commitments approved for individual Directorate priorities (see Appendices 2b and 3).
Sub Total - GF	74.0	
Welfare Reform	2.0	Resources set aside to manage the impact of rolling out the Government's welfare reforms and Universal Credit.
HRA Business Plan Review	0.9	Resources held pending a review of the 30 year HRA Business Plan.
Other	1.3	Various other investments (see full list at Appendix 2b).
Sub Total - Housing	4.2	
TOTAL	78.2	

Resources Earmarked for Capital Investments

- 4.4 Cabinet have previously approved capital investments and 'new start' programmes that have been funded from reserves. Such investments include the Glassworks project but other notable schemes are provided in Table 5 below with a full list provided at Appendix 2c.

Table 5: Earmarked for Capital Commitments/Investment (as at 1st April 2020)

Investment	Amount £M	Description
Glassworks	33.3	This amount reflects the <u>remaining</u> reserves set aside to fund completion of the development. Further funding of £109M has also been approved via prudential borrowing and other contributions.
Digital Campus	14.4	Resources set aside to progress the redevelopment of the Courthouse site into a Digital Campus. It is proposed to develop a Digital Media Centre PH2/3, provide a housing offer and replace the lost car parking spaces.
Property Investment Fund	4.7	Remaining resources to complete PIF 2 and commence PIF3.
Principal Towns	5.2	Remaining resources set aside to complete the Principal Towns Programme

Investment	Amount £M	Description
Youth Zone	3.0	Council contribution towards the build of a Youth Zone
Street Lighting LED replacement	2.3	Resources set aside to complete the replacement of Group A and the remaining Group B street lighting lanterns from energy inefficient HID lanterns to energy efficient LED units.
Digital First and other IT Investment	2.0	Investment to ensure the efficient rollout of the Digital First Strategy.
Other	35.4	Various other capital priorities (see Appendix 2c).
Sub Total - GF	100.3	
Development at St Michaels Avenue	4.6	The scheme seeks to build 37 new housing properties of which 18 will be affordable.
Development at King Street Hoyland	2.8	Mixed housing development.
Development at Billingley View	1.8	Mixed housing development.
Empty Homes Strategy/ Acquisitions	5.9	A strategy to bring back long term empty houses into use by supporting landlords or compulsorily acquiring properties.
Other Housing Priorities	14.3	Various Housing development scheme including the Council's new build programme (See Appendix 2c).
Sub Total Housing	29.4	
TOTAL	129.7	

Capital Programme Reserve

- 4.5 As part of the 2020/21 budget setting process, the Council committed available balances to a number of capital investments including economic regeneration schemes. In light of this and the continuing uncertainty surrounding the UK's exit from the EU, the Council also agreed to set aside a reserve to deal with any additional costs required to complete schemes already in delivery. This reserve has already transferred over £10M to support the Glassworks scheme to address an ever changing retail environment that has been exacerbated by the Covid crisis.
- 4.6 It is recommended that the Capital Programme Reserve (is augmented by an additional allocation for Capital Feasibility) is retained as a capital contingency. The updated position is shown in Table 6 below.

Table 6: Capital Programme Reserve

	£M
Capital Programme Reserve (Including General Contingency) (Feb 2020)	+18.8
Less: Capital Feasibility	-2.0
Less: Transferred to Glassworks Scheme	-10.6
Add: Resources Previously Identified, Now Received	2.0
Capital Programme Reserve (Sept 2020)	8.2

- 4.7 As outlined in previous reports, all funds are subject to ongoing review. These earmarked reserves include significant balances for the Council's Minimum Working Balance (£20M) and for 'Budget Mitigation/ Organisational Re-design' (£4.9M). It is possible that these balances may be subject to variation as a result of future funding and/or spending decisions but these, and all other, earmarkings can be considered committed (and therefore not available) at this point.

5. Future Use of Available Resources

General Fund

- 5.1 In addition to uncommitted resources in 2020/21 of **£1.4M** as reported in February, a further **£20.3M** of borrowing / New Homes Bonus is available to the General Fund for modest and prudent investment from 2023/24, as shown in Table 7 below. The Council already has a framework in place for prioritising available capital resources which is set out in the Council's Capital Investment Strategy, with intrinsic links to the Council's External Funding Strategy. The prioritisation process, including establishing pipeline schemes, is initially managed through the Council's Capital Oversight Board with proposals subsequently submitted to SMT and Cabinet for approval.

Housing

- 5.2 The availability of funding for Council Housing is **£3.4M** which reflects the balance reported as available in February 2020, as shown in Table 7 below. The additional resources generated from the HRA 2019/20 underspend have been earmarked for the Covid recovery plan.

Table 7: Resources Available

	Current Resources £M	New Resources Available £M	Total Resources Available £M	Committed £M	Available Resources £M
<i>Sub Total – GF</i>	204.657	21.742	226.399	(204.657)	<i>21.742</i>
<i>Sub Total – Housing</i>	40.591	3.400	43.991	(40.59)	<i>3.400</i>
GRAND TOTAL	245.248	25.142	270.390	(245.248)	25.142

ANTICIPATED FUTURE RESOURCES

	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	TOTAL £M
RESERVES					
2020/21 Settlement	13.850	-	-	-	13.850
New Homes Bonus	4.153	2.410	-	-*	6.563
Unused Borrowing from Previous Years	3.702	-	-	-	3.702
Borrowing Set Aside per MTFS	5.000	5.000	10.000	10.000	30.000**
Additional Borrowing Set Aside – Accelerating Growth	5.813	5.000	-	-	10.813
TOTAL	32.518	12.088	10.000	10.000	64.928
CAPITAL RECEIPTS					
Anticipated Future Receipts	3.601	1.500	-	-	5.101
TOTAL CAPITAL RECEIPTS	3.601	1.500	-	-	5.101
CAPITAL GRANTS					
Grant Funding	6.835	-	-	-	6.835
TOTAL CAPITAL GRANTS	6.835	-	-	-	6.835
TOTAL ANTICIPATED FUTURE RESOURCES	42.954	13.910	10.000	10.000	76.864

* Future NHB resources may be available in 2022/23 though it is not planned to account for this until Governments future spending plans are more certain.

** Further additional funding totalling £109M has also been set aside to be used from 2020 - 2022 relating to the Glassworks

Investment	Amount £M	Description
General Fund:		
Minimum Working Balance	20.000	MWB set aside as a contingency for unforeseen events
School Balances	2.051	Balances held for maintained schools
Sub Total - GF	22.051	
Housing:		
Minimum Working Balance	7.000	MWB set aside as a contingency for unforeseen events
Sub Total - HRA	7.000	
TOTAL	29.051	

APPENDIX 2b

Investment	Amount £M	Amount £M
General Fund:		
Social Care Demography / Other Pressures		10.000
Provision for MRP Policy/BSF/PFI - Future Years		12.037
Barnsley 2030 Budget Mitigation /Downsizing Costs		4.869
Insurance Fund Reserve		6.703
COVID Recovery		1.909
Investment in Specific Corporate Priorities:		
Invest to Improve Fund (Future Council 2020)	0.617	
Town Centre Estate Management	1.038	
District Libraries Review	1.000	
Area Councils	1.088	
Revenue Investments 2020 (3g below)	8.551	
Sub Total – Investment in Specific Corporate Priorities		12.294
Directorate Investments/Commitments:		
COMMUNITES Investments/Commitments (3a below)	8.243	
PEOPLE Investments/Commitments (3b below)	(4.125)	
PUBLIC HEALTH Investments/Commitments (3c below)	1.267	
PLACE Investments/Commitments (3d below)	4.037	
CORE Investments/Commitments (3e below)	5.273	
CORPORATE Investments/Commitments (3f below)	11.523	
Sub Total – Directorate Investments/Commitments		26.218
Sub Total - GF		74.030

APPENDIX 2b

Investment	Amount £M	Amount £M
Housing:		
Held Pending Review of 30 Year Business Plan		0.874
Provision for Welfare Reforms (Universal Credit)		2.000
COVID Recovery		0.590
Other Housing:		
Electrical Testing Programme	0.553	
Asbestos Programme	0.100	
Legionella Testing Programme	0.072	
Sub Total – Other Housing		0.725
Sub Total - Housing		4.189
TOTAL		78.219

APPENDIX 2c

Investment	Amount £M	Amount £M
General Fund:		
Glassworks (PH1,PH2,Public Realm & Bridge - funding shown is only reserves/capital receipt funding)		33.320
Digital Campus (inc. DMC2)		14.387
Property Investment Fund 2 & 3		4.708
Principal Towns Programme		5.172
Youth Zone		3.000
Street Lighting LED Replacement		2.289
Digital First and Other IT Investment		1.984
Other Corporate Priorities:		
Town Centre - Public Realm - Peel Square	1.755	
Junction 36	0.500	
Penny Pie Park	3.000	
Eldon Street	0.500	
Cannon Hall - Coach House & Cottages	0.215	
Development and Implementation of the Elsecar Masterplan	0.234	
Investment in Wedding Infrastructure at Cannon Hall	0.100	
Cooper Cottages (Switch)	0.009	
Wentworth and Stainborough - National Trust	2.214	
Match Funding Historic High Streets Heritage Action Zone (HHS HAZ) Bid	2.000	
Residential Investment Fund	0.150	
Metrodome Boilers	0.316	
Electric Charging Points - Fleet	0.100	
Electric Charging Points - Public Car Parks	0.100	

Highway Improvement - Dearne Town link-road (J36 Goldthorpe)	1.600	
Penny Pie Park Bridge	2.500	
Town Centre Parking Strategy - Phase 1	1.184	
Dodworth Road / Broadway	2.082	
Highways - Skid Resistance	0.600	
Enhanced Highway Maintenance Programme / Gully Works	1.500	
Roads Programme	2.089	
Town Centre CCTV System (Public Space)	0.174	
Penistone School - Additional Places	0.399	
Worsborough Mill - Health & Safety Works	0.205	
Vulnerable Childrens / Adults Hub	2.000	
Improve Disabled Facilities in Lifelong Learning centres	0.106	
WorkSmart Space Optimisation - Pilot	0.250	
improvement and efficiency	2.000	
Capital Feasibility	2.000	
Town Centre Temporary Car Parking provision	0.743	
The Business Village Phase 5 (formerly BBIC)	0.570	
1-4-1 Housing Capital Receipts (conditions attached)	3.128	
Beevor St Redevelopment	0.035	
Libraries Management Info System	0.020	
Allotment Strategy	0.041	
Assisted Living Technology	0.004	
Worsbrough Dale Pavillion	0.005	
Baden Street Regeneration	0.068	
Lang Avenue Property Flood Protection	0.064	
Highways Works/Fees - Non Grant (DLG)	0.038	
Visitor Economy Attraction	0.000	
Cannon Hall Parks for People	0.176	
Digital Barnsley	0.037	
Cannon Hall/Arts Council	0.005	
Penistone Market	0.005	
HCA Empty Homes Match Funding	0.125	
Grimethorpe Park House, Depot & Welfare Hall Grimethorpe	0.152	
PIF Monies - HCA Rockingham	0.199	
DLG (Other)	0.072	
Other Receipts	0.102	
Sub Total – Other Corporate Priorities		35.471
Sub Total - GF		100.331

APPENDIX 2c

Investment	Amount £M	Amount £M
Housing:		
St Michael's Avenue Housing Development		4.555
King Street, Hoyland Housing Development		2.800
Development at Billingley View		1.751
Strategic Acquisitions		5.940
Other Housing Priorities:		
New Build Bungalows	0.379	
Baden Street	0.013	
HRA Surveyor - Revenue	0.101	
Keresforth	0.033	
Empty Homes - Capital	0.832	
Core Acquisition	0.101	
Npower Site Acquisition (Included in Eastern Gateway Scheme)	1.550	
Feasibility Pot - Revenue	0.101	
Kenworthy Road	0.154	
Holden House - Revenue	0.599	
Affordable Warmth Boilers on Prescript	0.165	
Sprinkler Systems to 4 independent living schemes	0.400	
Sprinkler Systems to Sheffield Road Flats	1.000	
Berneslai Close Acquisition & Conversion	1.279	
Property Conversions	0.476	
Environmental Improvements	0.183	
Customer Services IT System	2.000	
Increase Equipment & Adaptations Budget	1.000	
Environmental Improvements	0.635	
Installation of Solar PV	1.000	
Sunnybank / Overdale	0.595	
Laithes Lane	1.200	
Goldthorpe Hotel Redevelopment	0.560	
Sub Total – Other Housing Priorities		14.356
Sub Total - Housing		29.402
TOTAL		129.733

APPENDIX 2d

Set Aside to Complete Schemes	Amount £M
General Fund:	
Capital Programme Reserve	6.161
Capital Contingency	2.084
TOTAL	8.245

APPENDIX 2e

Available to Invest	Amount £M
General Fund:	
Future Years' Borrowing	20.000
Additional New Homes Bonus	0.322
Specific Resources Yet to Be Committed	1.420
Sub Total - GF	21.742
Housing:	
Housing Specific Resources Yet to Be Committed	3.400
Sub Total - Housing	3.400
TOTAL	25.142

	£M	£M
3a COMMUNITES Investments/Commitments		
Spend slippage across a number of approved ASC schemes / activities funded from non-recurrent Government grant funding (e.g. IBCF/BCF/winter pressures monies). Funding to be earmarked to meet ASC needs in 2019/20 in line with the relevant grant funding conditions.	3.958	
Improved Better Care Fund Scheme	1.388	
Joint Commissioning Unit earmarking for Health & Wellbeing extension of temporary post	0.020	
Customer Services Project	0.089	
Care Management system - delayed whilst investigating whether could use ERICA.	0.100	
Underspend on Better Care Fund resources committed to funding reforming first point of contact Reablement Support, Response Service and warmer homes grant funding	0.158	
Safer Communities - Safer Communities Controlling Migration & Syrian	0.244	
Think Family external funding generated from the National Troubled Families Programme to March 2020	1.358	
Local Welfare Assistance Scheme - balance of Government funding to maintain some provision pending the outcome of a wider review of welfare provision	0.179	
Town Spirit / Vehicle & Staff	0.200	
Principal Towns - Temp Posts	0.209	
RSI and PRS grant funding to continue with rough sleepers programme	0.122	
Delays in Contracts - £35K food banks (contribution delayed due to legal issues setting up food bank) , £76K homeless veterans grant (grant funded),£21K Forest Family grant to Northern College (contract with Northern college re Competency Development Programme) and £45K Dementia Gateway (grant funded).	0.177	
Grant Contributions received from Macmillan to fund provision of information to the homeless.	0.024	
Sub regional grant funding received via Sheffield CC to provide to support for rough sleepers.	0.017	
Sub Total - COMMUNITES Investments/Commitments		8.243
3b PEOPLE Investments/Commitments		
Schools - Centrally Retained DSG budgets	(5.224)	
School Improvements	0.500	
Supplementary Teachers Pension Grant to be paid to Maintained Schools	0.005	
Slippage on funding provided by Barnsley CCG for committed / commissioned activities (under the s75 agreement) in support of the whole health and social care system	0.090	
£35K RCCO - extension to Darfield FC, £81,258 Social Mobility Fund, £25.1K WDP, £78,372 CCG, £31,328 Health Educ England, £51,443 Sport England Grant	0.303	

	£M	£M
Slippage to be used for MST while review of the service takes place - RMBC have cancelled their contract.	0.115	
Moderation Funding - represents slippage on grant funding provided by the DfE for the costs of coordinating and undertaking moderation tests in primary schools.	0.006	
Represents slippage on approved school improvement commitments as approved by the Barnsley Alliance Board - 19/20 academic year.	0.065	
Surplus balance on grant funding	0.015	
Sub Total - PEOPLE Investments/Commitments		(4.125)
3c PUBLIC HEALTH Investments/Commitments		
Resources required to fund the 4 year plan (TBC)	1.072	
Eco Driver Training (DEFRA grant)	0.013	
Suicide Prevention (ICS funded)	0.039	
Purple Flag, Oral Health and Nightlife Marshalls	0.023	
Thrive funding	0.120	
Sub Total – PUBLIC HEALTH Investments/Commitments		1.267
3d PLACE Investments/Commitments		
Jobs & Growth Plan (Tranche 2)	0.297	
Adult Skills - Slippage of grant funding	0.618	
35 Eldon Street	0.610	
Town Centre Events	0.250	
ESF Project Contribution	0.010	
SEN Officer Grant Funding - as per Qtr 3	0.012	
Carlton Master Plan - as per Qtr 3 (£100k requested)	0.100	
Neighbourhood Plans	0.050	
MCHLG Grant	0.017	
Continuation of funding for Enforcement Officer - as per Qtr 3	0.030	
Biodiversity Officer (£25k requested)	0.025	
Stronger Towns Grant	0.140	
Future High Streets Grant	0.112	
Launchpad Grant	0.170	
RCCO Required for DMC Furniture	0.020	
Eldon Street Dilapidations - as per Qtr 3	0.050	
Continued funding of DVLP salaries - as per Qtr 3	0.044	
HMV Grant Funding	0.008	
LD Supported Employment	0.196	
Tour De Yorkshire	0.215	
Cremators	0.454	
Private Sector Stock Condition	0.044	
Waste Disposal - Transfer Loading Station	0.348	
Highways - Town Centre remedial works	0.115	
Transportation & Design - Eco Stars Grant	0.044	
Slippage of refurbishment of Ice Alert Stations	0.012	
Slippage of Yorkshire Sport Grant	0.006	
Slippage of DCLG Grant for playground Improvements	0.040	
Sub Total – PLACE Investments/Commitments		4.037

	£M	£M
3e CORE Investments/Commitments		
Financial Services - Welfare Reform	0.832	
Council tax support grant & housing benefit admin grant and collection court fees	0.500	
Wentworth - Managed Solevant Closure	0.013	
Term Time Calculation	3.000	
Committed Project Support	0.137	
Existing commitment related to wider sustainability plan. - Audit	0.047	
Grant funding for Information Management System discovery project (income received in 2019/20)	0.110	
HSE Technician Apprentice Post Committed Spend	0.059	
BU15 - Corporate Training Budget - Funding for corporate training and leadership programme - committed against future year	0.309	
3x Fixed Term Posts (G3 Data Management Officers) and an income buffer for school income generation	0.070	
2 years fundng for a Change Manager to liaise with Digital First Projects	0.091	
Redundancy Costs through OWI Restructure	0.022	
Coms and Marketing DMO post committed spend	0.023	
Smart Working Project Support Committed Spend	0.060	
Sub Total – CORE Investments/Commitments		5.273
3f CORPORATE Investments/Commitments		
Digital First - Additional	2.000	
Planned Maintenance	0.242	
Apprenticeship Levy	0.907	
Corporate Demographics	0.000	
Commercial Fund	0.710	
Graduate CX Apprentices	0.124	
2030 Plan	0.100	
Brexit Grant	0.315	
Floods	0.025	
Better Care Fund	0.364	
Coronavirus Grant	6.736	
Sub Total – CORPORATE Investments/Commitments		11.523
DIRECTORATE INVESTMENTS		26.218

	£M
3g 2020/21 REVENUE INVESTMENTS	
Temporary capacity to address back log of annual reviews (approx. 1,800). Capacity would include Senior EHC Co-ordinators (x2), Plan Writers (x2) and Project Manager who will also project manage the SEND Hub implementation.	0.773
Temporary business support capacity to input case files to new system (3 FTE indicative Grade 3). 6 months duration.	0.035
Enhance current approach of seconding Barnsley SENCOs to the SEND service to support and challenge schools to improve SEND practice. Increase capacity by 5 SENCOs for 38 weeks.	0.050
Commission bespoke programme of nationally accredited training with partner Local Authorities for EHC Co-ordinators and Senior Co-ordinators. The training is focused on	0.018

	£M
quality case management, Code of Practice compliance and improving the quality of EHCPs.	
Identify students with SEND and attendance that is below national average. The EWO (Grade 7) would have specific expertise and will establish effective partnerships with schools, SENCO, parents and children delivering Early Help and interventions to remove barriers to attendance and empower schools to continue to support attendance on a sustainable basis. The officer will also challenge and support schools in relation to their exclusion rates of young people with SEND.	0.045
A dedicated Business Improvement and Intelligence team to support SEND data management, analysis and to support the service in interpreting SEND data into intelligence and forecasting. The team develop tools as well providing workforce development to help deliver the actions of SEND. To be involved directly with the service providing regular face-to-face analysis and interpretation of scorecards, Power BI reports and SEND Vulnerability Matrix in regular challenge sessions.	0.166
Develop an online parent education offer.	0.014
Schools Early Help Development Officer Grade 8 (link to CAMHS/Youth Justice)	0.041
Parent Aspiration - establishing a network of parent champions across the borough designed to help 'hard to reach' parents who miss out on vital information about how to access local family services and support in the raising and achievement of aspirations for parents / grand mentors with care leavers	0.166
Increase capacity to improve the commissioning, contract reviewing and costs of children's external care placements.	0.030
Improve practice and embed contextual safeguarding across Children's Services; promote interventions that work with adolescents and manage risk, reducing older children from coming into care with high associated costs and poorer outcomes.	0.038
Mockingbird Project - Funding for 2 Children's Social Workers for CIC; reduce Social Work caseloads to provide intensive support to older CIC with complex needs to support improved placement stability in internal foster care provision.	0.075
Feasibility study / Citizens Jury into the development of a Barnsley 'concordat for action' to drive mental health and wellbeing based on Thrive West Midlands.	0.050
Self-harm awareness raising and training for students and staff delivered to all year 7 students across the borough.	0.040
Mental Health First Aid (MHFA) – roll out of bespoke training across Barnsley Council to include 'train the trainer' element. Every member of staff to receive training relevant to their work area. Workplace HWB programmes following Health Needs Assessment of staff wellbeing.	0.070
Suicide prevention community grant (existing community grant scheme already established and funded by NHSE transformation fund). This investment would support the existing scheme.	0.045
Bereavement Support for Children and Families: There is a huge gap in bereavement services for children and families; This could be from children who have died or perhaps parents who have died leaving behind children. The CCG have recognised this is a gap however as bereavement isn't a "mental health" problem it may be unlikely they would fund such a service.	0.040
Mental Health and Physical Activity to include: development of a mental health guide for sports and physical activity; mental health and listening training to frontline services and clubs; and creation of a mental health friendly accreditation.	0.045
Child accident prevention project: Work in partnership with Child Accident Prevention Trust to improve capacity and collaboration with a focus on reducing home accidents in under 5s. Including purchase of resources to distribute to all families on discharge from hospital as part of a community education campaign. Home safety starter kits for low income families (bath mats with heat indicators, cupboard locks, drawer catches, corner	0.050

	£M
covers, etc) given out at 9-12 month assessment. Delivery of staff training for BMBC housing to undertake child safety checks for new accommodation for families with under 5s and provision of larger child safety equipment on a case by case basis (e.g., baby gates, fireguards). Delivery of wider staff training across BMBC and partner agency workforce who are going into homes so they have the skills to complete a home safety assessment and provide resources and recommendations to improve child safety.	
Schools PSHE Lead: Includes appointment of a Grade 8 Public Health Practitioner to provide dedicated support for all schools in preparation for statutory Relationships and Sex Education and Health Education (September 2020) and support with wider PSHE thereafter. Leading the already established PSHE Network, developing a resource library for schools and development of an online hub to ensure schools have access to the latest evidence-based resources. This will form part of the wider Healthy Schools Programme.	0.050
Speakeasy training: Delivery of 2-day "Speakeasy" training to encourage parents and carers to provide positive sex and relationships education in the home and take on the role of 'sex and relationships educator' in their communities. Delivery of 3-day "Speakeasy" train-the-trainer training for BMBC staff (Family Centre staff, pastoral school staff, community group leaders e.g. Brownie and Scout leaders) to ensure the above programme is sustainable.	0.040
Adverse Childhood Experience (ACE) awareness lead: Grade 9 post funded for 1 year to develop and deliver an ACE awareness strategy across BMBC and wider partners.	0.050
Emotional Health and Wellbeing (EHWB) transformation programme: 2 year funding for a children and young people's Emotional Health and Wellbeing Transformation Lead (Grade 13) and Project Support Officer (Grade 5). Part funded by Barnsley CCG to have oversight of the mental health landscape and begin the shift towards the joint commissioning of EHWB services across the borough.	0.100
Community parenting programme: Commission a 2 year community parenting programme, which develops a peer support network across Barnsley, to work with pregnant women and parents until 3 months postnatally who require additional support. This is an asset based programme that works with the strengths and capabilities of individual parents, volunteers and the other agencies in a community to improve outcomes for that community. A key feature is focused home visits whereby Community Parent volunteers enable parents to explore, reflect on and achieve self-selected goals. This will complement current services for families and will be developed in collaboration with wider partners e.g., early years services & Barnsley CCG.	0.410
Rose Voucher Scheme - Continue the scheme to provide eligible children with vouchers to spend on fresh fruit and veg at market stalls/independent traders.	0.056
A number of initiatives and campaigns to prevent cardio vascular disease.	0.120
Anti-idling campaign and signage around schools and other sensitive areas.	0.025
Allergens training for food businesses, to enable compliance with legal requirements and reduce the likelihood of an incident taking place. Project on bonfires, to advise on air quality issues and correct waste disposal methods. Hire of a tobacco dog and test purchaser, to enable us to identify and seize illicit goods and take further enforcement action as necessary.	0.025
Delivery of Active Travel initiatives including Beat the Street and the walking revolution.	0.175
Installation of water fountains in all public realm to reduce sugar consumption and plastic.	0.030
Smokefree Hoyland - permanent design solutions for smoke free Hoyland working in partnership with Arcadis and Principal Towns.	0.035

	£M
Upscaling town centre smokefree zones – mass programme.	0.020
Drink coach which supports alcohol plan and seeks getting more people into treatment. Provision of online support (inc. app and skype consultation where high risk).	0.025
Acquire and implement chatbots to deal with simple customer enquires.	0.150
Undertake more pro-active work within the tree team to prevent/reduce reactive maintenance.	0.070
Further investment in the skills of staff from front-line to management to deliver continuous improvement.	0.100
Procurement of new system that is fit for purpose to help manage the demands on the Council's fleet of vehicles.	0.200
Additional project officer to support Highway and Transportation initiatives.	0.040
Continuation of funding for 12mths + additional resource (2 project officers) until Mar 21 plus 1 FTE permanent Project officer. Additional work required to deliver identified benefits.	0.130
Additional resource to enforce Traffic Regulation Orders.	0.090
Capacity to maximise external funding opportunities in Economic Regeneration	0.075
Employment of a Wellbeing and Training co-ordinator to work with the Council's own workforce.	0.050
Increasing the range of materials that can be recycled (e.g. yoghurt pots etc.).	0.100
The Council's Tree Planting Programme.	0.385
Provision of signage/cycle lanes to address safety issues.	0.100
Project to promote the use of hydrogen as a means of decarbonising transport, heating and industrial processes across the Borough.	0.045
Engaging with College / Youth Council on Barnsley 2045 to identify and drive forward related projects.	0.150
Continue with street pastor initiative in the Town Centre providing support to individuals vulnerable through drugs, alcohol and begging.	0.105
Increase the number of town centre wardens currently being recruited from 4 to 8 (4 funded permanently plus additional 4 temporary for 3 years).	0.300
New radio system to improve communications between traders, publicans and operational professionals.	0.022
Targeting town centre ASB and criminality hot spots through physical interventions (e.g fencing).	0.200
Development and introduction of a marketing plan to promote the Borough as a place to live, work and visit (Independent Barnsley).	0.165
Commission external support for 12 months to pilot the external delivery of a comms/marketing strategy for the Market and wider town centre	0.050
There is a need to increase our communication focus to support the authority in respect of the SY Municipal Waste Strategy. Investments in in-cab technology will help to pin point service improvement areas.	0.080
Initially used to accommodate the Amazon Clicks pilot but ultimately to create a flexible space on 1st floor.	0.100
Redefine Food Hall units to look at a flexible letting space for start ups and opportunity to promote a foodie market.	0.100
Additional funding to enhance the Town Centre Events programme in 2020/21.	0.150
Additional support to increase town centre cleanliness.	0.050
Match funding to complete a masterplan for the Dearne Valley.	0.100
Resources to fund a third round of the programme (Upto 10 businesses with potential for some of those to re-locate to Barnsley).	0.200
Resource to improve demand stimulation for South Yorkshire Superfast Broadband/ promote the use of 5G.	0.100

	£M
Work with SMEs to promote digital connectivity/digital platforms.	0.050
Resources to develop a digital skills road map within the digital campus.	0.050
Increase the current ward alliance budget by £10k per ward in 2019/20 and 2020/21.	0.241
Purchase of electric mobility bikes to support disabled people to take part in bike rides.	0.050
Purchase of mobile sensory equipment to stimulate interactivity/creativity for people with dementia and LD.	0.040
Alexa units to reablement clients so that they can better connect with family, friends and operational professionals.	0.021
Environmental works in default on public, private and un-adopted land across the borough (linked to HMO strategy) Work will specifically target proactive graffiti clearance, fly tipping, contaminated bin rubbish removal, street cleansing as well engagement and support to residents.	0.200
Potential investment in additional PCSO's	0.150
Increase in National Living Wage	0.800
A general blitz across the borough on weed and graffiti removal across the borough together with a general focus on cleanliness.	0.075
Additional seasonal support roles for grass cutting and planting.	0.080
Further investment in covert cameras to capture fly tipping activity.	0.015
Renew surfacing in children's play areas.	0.020
Working in partnerships with Yorkshire Wildlife trust, path works and interpretation.	0.050
Create safe parking area for wood view park.	0.035
Current unsafe location for skate park. Move to another location to create additional parking and facilitate ph 2 developments for athletics stadium.	0.100
Cleansing of combined drainage and kerb blocks to prevent flooding issues.	0.090
Targeted learning activity supporting Troubled Families.	0.050
Continuation of the recent pilot to train teachers to deliver art awards, qualifications and provision of high quality cultural education programmes within schools.	0.025
Delivery of formal legacy programme for the Dearne Valley Landscape Partnership.	0.050
2020/21 REVENUE INVESTMENTS	8.551

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**THE CAPITAL INVESTMENT STRATEGY
2021/22**

INDEX

SECTION	CONTENTS
1.	EXECUTIVE SUMMARY
2.	STRATEGY FRAMEWORK
3.	CAPITAL EXPENDITURE
	<ul style="list-style-type: none"> • What is Capital Expenditure? • Capital Programme Governance & Prioritisation Process • Capital Planning & Approvals Process • Capital Planning Strategy • Capital Programme 2021/22
4.	THE COUNCIL'S CAPITAL ASSETS & MANAGEMENT OF THOSE ASSETS
	<ul style="list-style-type: none"> • What Type of Capital Assets Does The Council Control? • Asset Management Strategies / Plans • Planned Asset Maintenance
5.	CAPITAL FUNDING
	<ul style="list-style-type: none"> • How is Capital Expenditure Funded? • The Council's Funding Types • External Funding Opportunities • Capital Funding Strategy
6.	TREASURY MANAGEMENT
	<ul style="list-style-type: none"> • What is Treasury Management? • The Treasury Management Strategy • The Council's Borrowing Need, The External Debt Position & Associated Debt Limits • Borrowing Strategy • Debt Repayment Policy • Other Long-Term Liabilities
7.	COMMERCIAL ACTIVITY / INVESTMENTS & RISK APPETITE
	<ul style="list-style-type: none"> • What is Commercialism? • Treasury Management Investment Strategy • Commercial Strategy • Non Treasury Investments • Risk Appetite Statement
8.	KNOWLEDGE AND SKILLS
	<ul style="list-style-type: none"> • Internal Resources • External Resources • Members
9.	REFERENCES

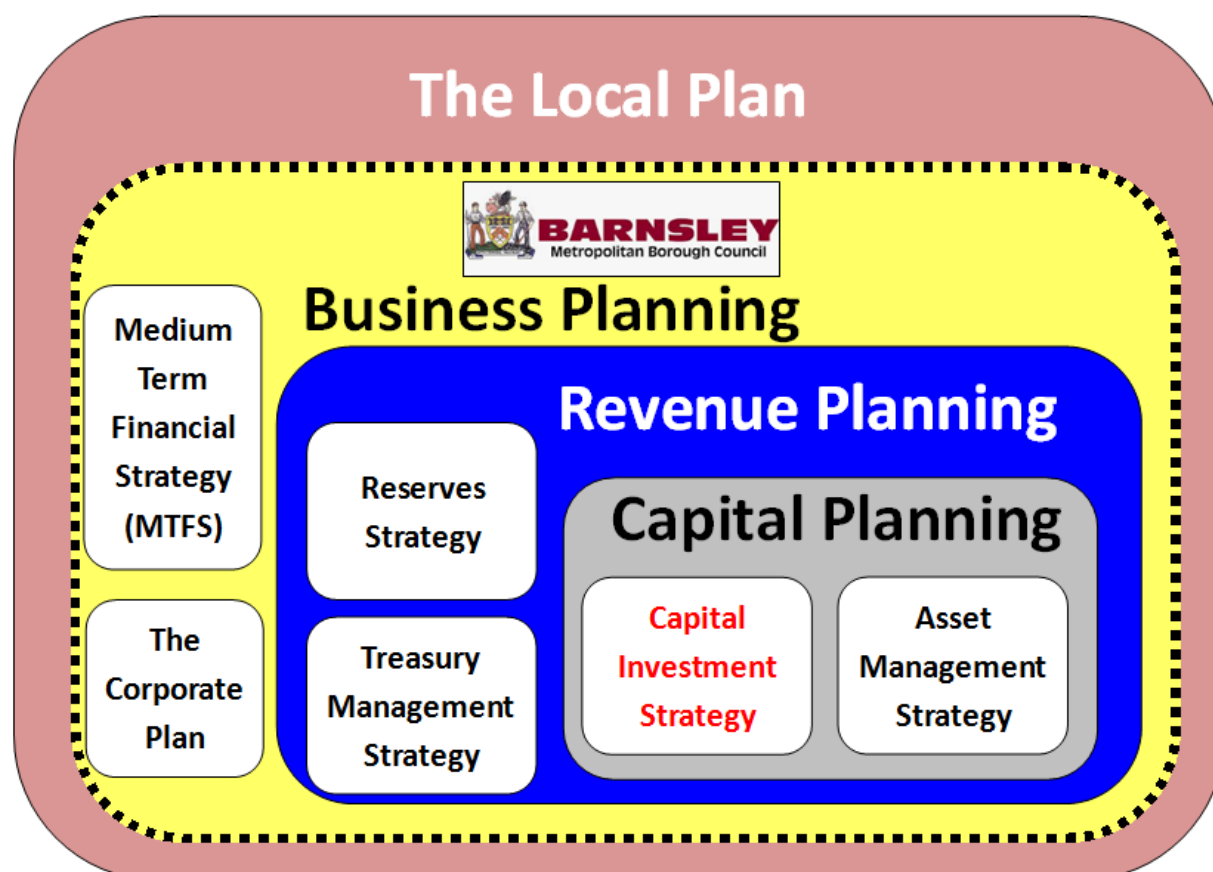
1 EXECUTIVE SUMMARY

- 1.1 This Capital Investment Strategy has been prepared in accordance with the CIPFA Prudential Code 2017 which local authorities must 'have regard to' when carrying out their duties in England under Part 1 of the Local Government Act 2003.
- 1.2 The Capital Investment Strategy forms a key part of the Council's overall planning process. It provides a mechanism by which capital expenditure and investment decisions are aligned over a medium term (five year) planning period with the Council's [Corporate Plan](#) and the four core priorities that it looks to achieve:
- thriving and vibrant economy;
 - people achieving their potential;
 - strong and resilient communities; and
 - one council.
- 1.3 This Capital Investment Strategy sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring. It is also linked and cross-referenced to the Council's other strategies and plans.
- 1.4 The objectives of the Capital Investment Strategy are to:
- Provide a framework together with a clear set of objectives, within the CIPFA codes and statutory legislation, by which new projects are evaluated to ensure that all new funding is targeted at meeting the priorities within the Council's Corporate Plan;
 - Set out how the Council identifies programmes and prioritises funding requirements and proposals arising from business plans submitted through its Capital Oversight Board. This process establishes a stringent gateway appraisal mechanism comprising of an Outline Business Case (OBC), progressing to Full Business Cases (FBC) before the necessary approval;
 - Link with the Council's revenue processes in respect of aligning available one off revenue resources to the Council's priorities. Ongoing investment proposals are dealt with through the Medium Term Financial Planning process;
 - Consider options available for funding expenditure and how resources may be maximised to generate investment in the area. To determine a prudent, affordable and self-sustaining funding policy framework, whilst minimising or mitigating the ongoing revenue implications of any such investment;
 - Identify the resources available for investment over the MTFS planning period;

- Ensure the strategy has an overall balance of risk on a range of projects over time, funding mechanism and rate of return; and establish effective arrangements for the management of expenditure including the assessment of project outcomes, budget profiling, deliverability, outcomes, value for money and security, liquidity and yield of investments.

2. STRATEGY FRAMEWORK

- 2.1 The framework established by the Prudential Code supports local strategic planning, local asset management planning and proper option appraisal.
- 2.2 This Capital Investment Strategy has been considered within the overarching context of the Council's adoption of the Local Plan, which sets out the long term, strategic plan for the Borough as a whole, delivered by the private sector, other public sector agencies and the Council.
- 2.3 The Local Plan considers the future use of all land within the borough, including Barnsley Town Centre, and establishes policies and proposals up to the year 2033. The Local Plan sets the framework that considers planning applications and coordinates investment decisions that affect the towns, villages and countryside of Barnsley.
- 2.4 The Local Plan includes policies to deliver:
- housing;
 - retail, leisure and commercial development;
 - education, health, police and community facilities;
 - support for transport, minerals, energy, telecoms, water supply and sewage treatment;
 - energy, including renewable sources;
 - the protection and improvement of historic and countryside areas; and
 - the protection of homes and properties from flooding.
- 2.5 The Capital Investment Strategy forms a fundamental part of the Council's overall planning process and, like the other budget papers, is formulated within the context of the "Our Even Better Strategy" which establishes the principles by which the Council will achieve the overall Corporate Plan, including the Medium Term Financial Strategy framework
- 2.6 The Capital Investment Strategy is an integral part of the Medium Term Financial Strategy as it complements and informs various elements of the budget setting cycle, predominately the Treasury Management and Reserves strategies respectively.
- 2.7 The diagram below shows how the Capital Investment Strategy fits into the wider planning framework and the links into the budget process.



- 2.8 There are extensive connections between the Council's various strategies and plans due primarily to the way they interrelate with and inform each other. Where applicable, these are cross-referenced throughout the Capital Investment Strategy and vice versa.

3 CAPITAL EXPENDITURE

What is Capital Expenditure?

- 3.1 An understanding of what constitutes capital expenditure is fundamental to realising the benefits that an authority can obtain under the Prudential Framework.
- 3.2 The Local Government Act 2003, which includes the legislation for the capital finance system, does not specify what precisely constitutes capital expenditure.

Instead it:

- Refers to "expenditure of the authority which falls to be capitalised in accordance with proper practices; and
 - Enables the Secretary of State to prescribe by regulation that the spending of a particular local authority shall, or shall not, be treated as capital expenditure.
- 3.3 The Council defines capital expenditure/investment as "Expenditure on the acquisition, creation, or enhancement of non-current assets". Non-current

assets include those items of land, property and plant/equipment, which have a useful life of more than one year.

3.4 The following categories of expenditure will require capital resources to fund their purpose:

- The acquisition, reclamation, enhancement or laying out of land exclusive of roads, buildings or other structures;
- The acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures;
- The acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels;
- The making of advances, grants or other financial assistance towards expenditure or on the acquisition of investments;
- The acquisition of share capital or loan capital; and
- The acquisition of computer software, plus the in-house preparation of it, provided that the intention is to use the software for at least 1 year.

3.5 Enhancement of an existing fixed asset means:

- To lengthen the useful life of the asset; or
- To increase substantially the open market value of the asset; or
- To increase substantially the extent to which the asset can be used for the purposes of, or in connection, with the functions of the Council.

3.6 There are two additional situations where expenditure may be capitalised:

- The Secretary of State makes a direction that the expenditure is permitted to be treated as capital expenditure. For example, the Secretary of State issued a capitalisation direction to allow local authorities the opportunity to apply for redundancy expenditure to be treated as capital instead of revenue. These directions are only issued in exceptional circumstances; and
- Expenditure incurred on works to any land or building in which the Council has no future direct control or benefit from the resultant assets, which would be capital expenditure if the local authority had an interest in that land or building. This is commonly known as (Revenue Expenditure Funded by Capital Under Statute) (REFCUS).

3.7 Unless expenditure qualifies as capital, it will normally fall outside the scope of the framework and therefore be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of

capital, there may be an opportunity to finance the outlay from available resources (reserves / receipts) or by spreading the cost over future years' revenues (borrowing) where it is prudent to do so.

De Minimis

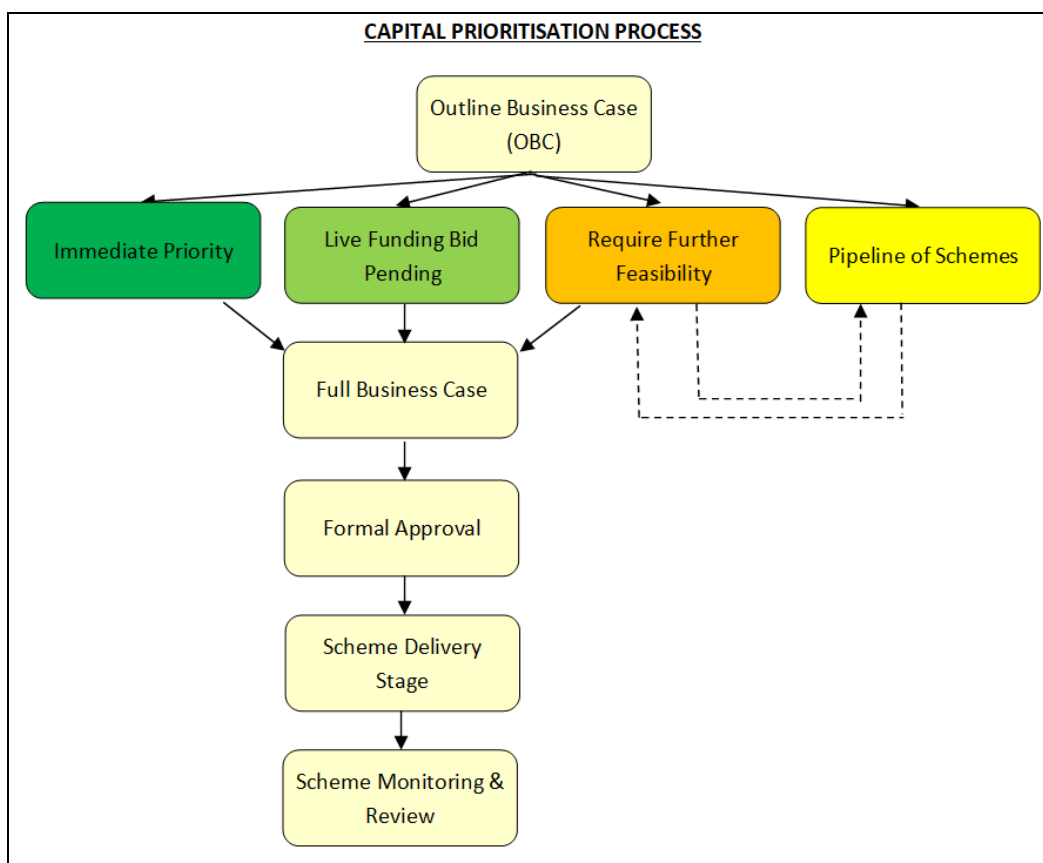
- 3.8 The Council operates a de-minimus limit of **£10,000**. This means that, whilst expenditure may meet the definition of capital expenditure, the Council will treat that expenditure as revenue, if the amount is below the de-minimus threshold.

Flexible Use of Capital Receipts

- 3.9 The Council also has the opportunity to utilise its capital receipts (which are ordinarily to be used on capital expenditure), on revenue expenditure relating to service transformation projects that are expected to generate revenue savings to the Council.
- 3.10 Some examples include: funding the cost of service reconfiguration, restructuring or rationalisation, sharing the costs of senior management, improving systems and processes to tackle fraud and corruption and setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue.
- 3.11 The Council has, at this time, not exercised this flexibility.

Capital Programme Governance & Prioritisation Process

- 3.12 The nature of capital schemes means that they are often, complex, high risk, high profile and are delivered over a multi-year period. Additionally, the implications and legacy of capital schemes are far reaching.
- 3.13 For these reasons, it is important that the Council adopts and maintains a consistent and robust approach to the development, prioritisation and delivery of capital schemes.
- 3.14 As part of the governance arrangements embedded within the One Council Framework, the Capital Oversight Board is an established body within that overall governance structure.
- 3.15 The main responsibility and focus of the Capital Oversight Board is to review, challenge and ultimately prioritise capital projects as they work through the capital framework (outlined in the paragraphs below), ensuring alignment to the Council's overall corporate priorities within the finite resources that are available.
- 3.16 The prioritisation process is shown in the figure below and each stage is explained in the subsequent paragraphs.



Outline Business Case

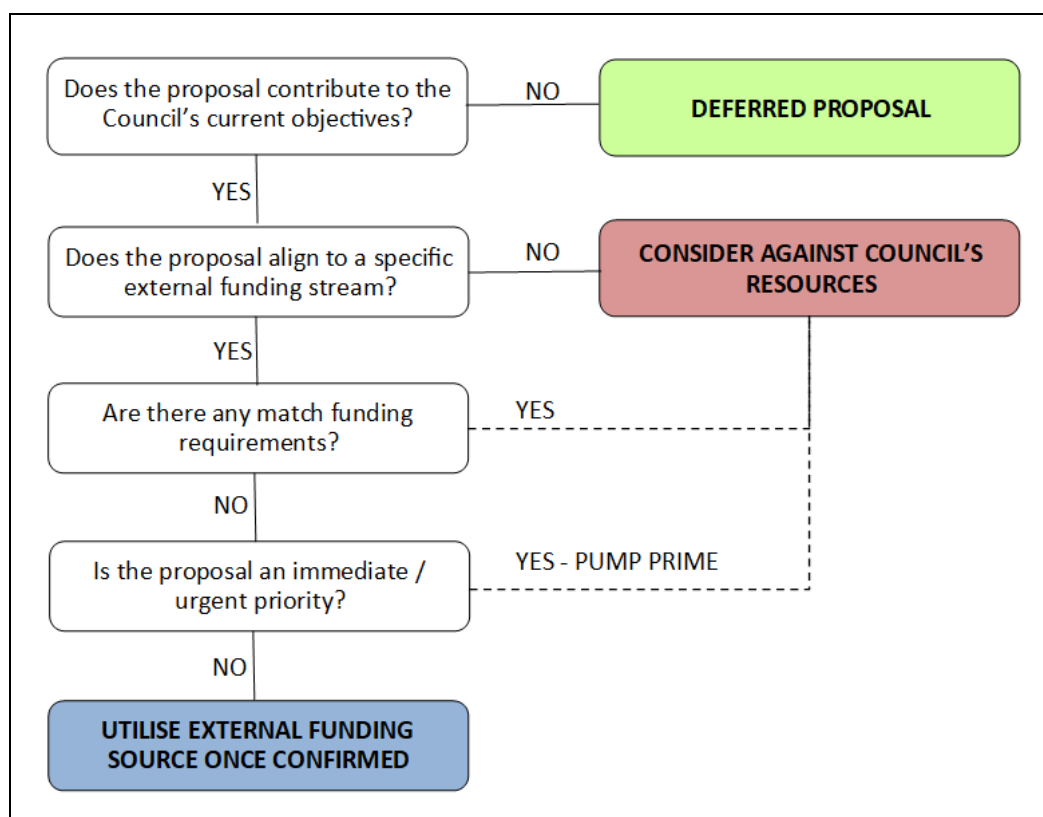
- 3.17 At this stage, services complete an outline business case, which demonstrates their proposal from a high-level point of view including, for example, the indicative financial requirements, the anticipated financial and non-financial returns and how the proposal would contribute to the Council's objectives.
- 3.18 Members of the Capital Programme Oversight Board then rank each outline business case based on the initial assessment against four scoring and four non-scoring criteria as described below:

No.	Scored Criteria	Scoring Weighting	No.	Non-Scored Criteria
1	Does the proposal deliver efficiency (financial and non-financial) and / or clear return on investment?	30%	1	Impact on corporate priorities
2	Will the proposal lever in other funding sources and investment? E.g. voluntary sector, private sector, SCR	30%	2	Alignment to 2030 Strategic Themes (SEP, Zero 40, Inclusive Economy etc)
3	What are the measurable outputs / outcomes?	20%	3	Timing of return on investment
4	Is there a clear and robust evidence base for doing the scheme?	20%	4	Is the investment required for staffing?

- 3.19 The Council's scoring process evolves over time to take account of the fluidity in respect of emerging priorities, providing flexibility in terms of aligning resources to those priorities at that time. The proposals in the

2021/22 Capital Investment Programme have been reviewed in line with the early stages of the Council's 2030 Plan.

- 3.20 The Council is in the process of producing a formal External Funding Strategy which will be presented to Members in due course. The principles inherent in this strategy have been considered as part of the capital prioritisation process for 2021/22 to ensure that all of the available resources, both externally sourced and the Council's own resources, are aligned to the Council's priorities, in a holistic way.
- 3.21 The Capital Investment Programme for 2021/22 – 2023/24, included within this budget pack, aligns the capital investment proposals directly to the possible funding sources that could be used.
- 3.22 The figure below outlines the decision making process in terms of how specific proposals are considered.



- 3.23 The outline business cases are ranked into score order and considered against the total resources identified at that time which results in four lists:
- Proposals to progress immediately;
 - Proposals relating to live funding bids;
 - Proposals that require further feasibility works; and
 - Proposals that form the pipeline of schemes.

Proposals to Progress Immediately

- 3.24 Any proposals that warrant immediate priority in respect of any regulatory or statutory requirements e.g. health and safety issues and any that essential to maintain the Council operationally / keeping the Council safe

are prioritised first and foremost. These proposals are approved in principle at this point, subject to formal approval, which follows the Council's governance arrangements.

Proposals Relating to Live Funding Bids

- 3.25 Any such proposals that are subject to live external funding bids have already been prioritised accordingly, as external funding is already sought. Due to the timing of such funding announcements, there may be lags in terms of identifying the success of such bids. Therefore, any bid that may be not be successful, may then subject to review in terms of relative priority, considering all other proposals accordingly. Where a proposal is deemed a priority to progress, then the Council's own resources will be utilised, where appropriate.

Proposals That Require Further Feasibility Works

- 3.26 Where proposals rank highly in terms of priority, further feasibility works may be required to progress the proposal, to ensure that it is suitably detailed enough to allow either an external funding bid to be lodged, or to draw on the Council's own resources.

Proposals That Form the Pipeline of Schemes

- 3.27 The pipeline of schemes represents those schemes that are not currently prioritised under the above process and are in effect deferred in terms of progression at that point. Where future resources are identified, these schemes are considered together with all other identified schemes including any new emerging priorities to derive a live pipeline of schemes.
- 3.28 It should be noted that this list is not intended to be a static position, it is meant to be fluid to allow flexibility in terms of dealing with any unforeseen emerging priority that becomes apparent. A reprioritisation exercise would be undertaken to include the revised priority if it was deemed more of a priority than other schemes, obviously managed within the finite financial envelope at that point in time.
- 3.29 There is flexibility built in to the process to allow proposals to move along the four categories as outlined above. For example, where a scheme is subject to a live funding bid, which is unsuccessful, then that proposal can move to either immediate priority or requiring further feasibility works, dependent on its relative priority.

Prioritised Proposals (Approved 'in Principle')

- 3.30 Once proposals have been prioritised, they are deemed approved 'in principle' which means that, given the outline business case, the project is approved to progress through to the full business case stage. The terminology of 'approved in principle' is to distinguish between this and formal Cabinet approval.
- 3.31 Ordinarily, the 'approved in principle' schemes are included in the budget papers that are considered by Cabinet. At this stage, Cabinet would be provisionally approving the setting aside of the resources for such

schemes whilst awaiting subsequent reports outlining the detailed business case and associated funding implications.

Full Business Case

- 3.32 Each scheme is then subject to a full and detailed business case, that gives further information around the particulars of the scheme. These business cases are presented to the Capital Oversight Board and SMT respectively, where they are scrutinised and challenged on their robustness and the assumptions therein. Any amendments are weaved in, where applicable, and subsequently signed off as approved to progress to the next stage by the Board.
- 3.33 As part of the full business case stage, it is imperative that estimates are accurate as possible, and work should be undertaken by colleagues across the Council in terms of identifying the potential impact of Brexit and the ongoing effects of the COVID 19 pandemic. Given the uncertainty in these particular areas, it is vital that the potential cost implications are duly identified as this can impact future investment decisions and other schemes in delivery.

Formal Approval

- 3.34 A formal Cabinet report is then sought outlining the proposal to be considered by the appropriate approval level. The type of formal approval is dictated by the overall capital value of the scheme and follows the Authority's governance and approval arrangements.

Scheme Delivery Phase

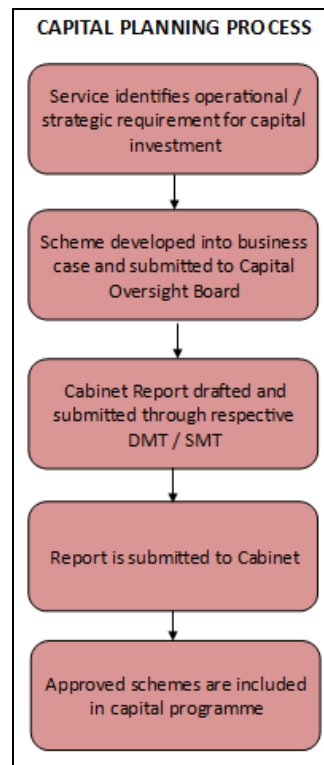
- 3.35 Once approved, the scheme is consolidated into the Council's capital programme and budget assigned as per the approvals accordingly. Project managers can commence incurring expenditure against that budget and the scheme is in delivery phase.

Scheme Monitoring & Review

- 3.36 During the delivery phase, project managers work closely with finance staff to monitor the financial position over the life of the scheme and identify any potential issues relatively early to allow mitigation actions to be implemented.
- 3.37 Updates on both the operational and financial performance of each scheme are given to the Capital Oversight Board on a quarterly basis as well as being included in the overall Council capital programme quarterly budget monitoring reports that are presented to Cabinet throughout the financial year.
- 3.38 Upon completion of the scheme, an investment benefits template is completed by the project manager and submitted to the Capital Oversight Board with the intention of presenting the realised benefits from the scheme and any learning points, positive or negative, for consideration on future schemes.

Capital Planning & Approval Process

- 3.39 The Council's capital planning process is shown in the figure below and each stage is explained in the subsequent paragraphs. The process is continuous throughout the financial year with the main budget-setting element at the start of the financial year seen as the major component to it.



Service Identifies Requirement

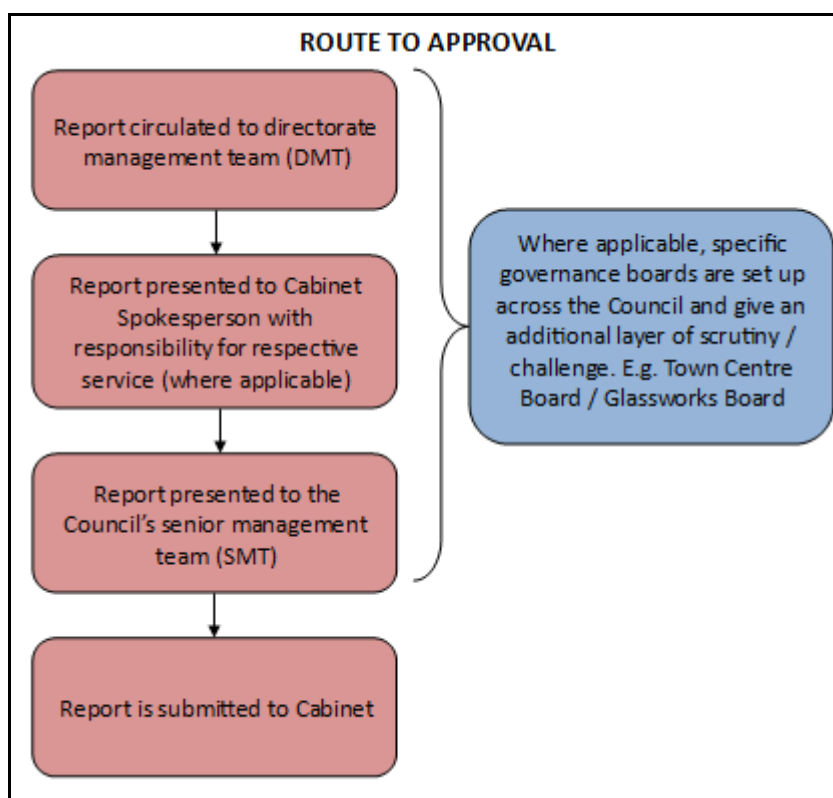
- 3.40 Through the Council strategic planning arrangements, individual business units are responsible for setting their own objectives, aligned to the Council's overall corporate plan. Where a requirement is identified, whether it be strategic or for service delivery, these requirements are built into both operational and financial plans and duly considered.

Scheme Developed to Business Case

- 3.41 Schemes that are deemed priority require the compilation of a business case irrespective of whether specific funding has been sourced or it requires a call on the Council's overall available resources (identified through the Reserves Strategy). A business case is compiled in conjunction with the process explained in previous sections. The implications from both capital and revenue perspectives are considered using a whole life cycle costing methodology.

Formal Approval

- 3.42 Once the business case is established, formal approval is sought and drafted for consideration through the Council's reporting framework, which ordinarily goes through the following route:



Reports Submitted for Approval

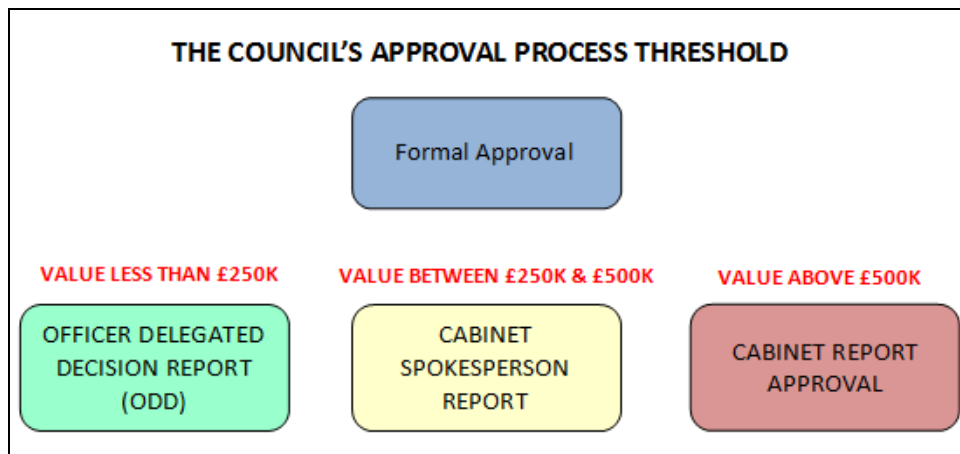
- 3.43 The annual budget papers for both the General Fund and the HRA are submitted to Cabinet for approval in January (HRA) and February (General Fund) respectively. These papers include indicative capital programmes for both areas, which include a combination of a high-level split between high-level work programmes and detailed schemes at this stage. Cabinet are, at this stage, approving the high-level resource allocations matched to the respective work programmes.
- 3.44 The budget papers incorporate both recurrent external resources that the Council receives, typically via government grants and the Council's own one off resources as identified through its Reserve Strategy and Borrowing Strategy. The Council updates its Reserves Strategy periodically throughout the financial year as the budget monitoring position develops and other issues emerge.
- 3.45 Where external funding bids are to be considered in the context of the above, the Council follows the principles set out in its Capital Funding Approach (Section 5.38 refers) in respect of the holistic approach adopted. Furthermore, additional elected member consultation is sought at this point via the respective Cabinet representative for the service preparing the bid.
- 3.46 Individual services that are responsible for those work programmes then submit subsequent Cabinet reports that outline, on a more granular and detailed basis, how the resources set aside intend to be used on a scheme by scheme basis. This is based on a business plan that has been through the capital oversight board process. Cabinet are, at this stage, approving the capital expenditure plans.

Approved Schemes Included in Capital Programme

- 3.47 Following approval by Cabinet, these proposals, and their financial plans are included within the Council's Capital Programme and the individual schemes can commence in terms of delivery.

Capital Programme Approval Thresholds

- 3.48 The Authority's constitution, financial regulations and governance arrangements set out the approval process, which governs the Council's capital programme.
- 3.49 The figure below sets out the type of approval required for each respective range thresholds for values of individual capital schemes. It should be noted that these thresholds are applicable only for schemes that are fully funded. Where the proposal is unfunded, such schemes require Cabinet approval regardless of value.



- 3.50 Where a proposal is politically sensitive, then, at the discretion of SMT, these particular reports may be submitted to Cabinet, regardless of value.

Capital Planning Strategy

- 3.51 The Council will therefore pursue an active strategy that incorporates the following processes:
- Where specific, external, ring-fenced resources are received, the responsible service prioritises the resources to the areas of greater need (using highways asset condition survey for example) within the requirements and stipulations within those specific funding agreements (e.g. School Condition Grant);
 - Where the Council receives general funding that have no restrictions, including its own resources, due consideration is given to the prioritisation process as described in previous sections, in the financial envelope identified. Reprioritisation exercises can take place as and when new priorities emerge;
 - Consideration for using borrowing / leasing will be undertaken for specific gap funding requirements only where the risk resides with the

developers and not with the Council. The significant investment in the Glassworks Scheme in the medium terms means that only prudent and modest additions to the borrowing requirement will be considered and such schemes will be subject to a rigorous analysis to ensure that there is a strong evidence base for the expected future income streams/ economic return.

2021/22 Capital Investment Programme

- 3.52 The Council is required to present to Cabinet for approval, its capital investment programme on an annual basis for both the general fund and HRA, that are included in the papers to Cabinet in February (GF) and January (HRA) respectively.

Area	Date of Cabinet Approval
General Fund	On the agenda with this Capital Investment Strategy
Housing Revenue Account	13 th January 2021

- 3.53 These papers outline the position for the forthcoming financial year then give an indicative position for the subsequent four years to give an outlook over the medium term 5-year period. The respective programmes are set within the context of this Capital Investment Strategy.
- 3.54 In addition, the capital plans from previous financial years are still included in the programme as multi-year capital projects.
- 3.55 Each project, for reporting purposes, is aligned to the Council priority that it contributes towards. The table below shows the capital programme including the 2021/22 budget setting papers for an indicative snapshot of the entire approved programme.

3.56 Indicative Capital Programme for 2020/21 through 2025/26 per Corporate Priority

<u>Corporate Priorities</u>	<u>Corporate Outcomes</u>	Existing GF Capital Programme £M	New Approvals – GF * £M	Existing HRA Capital Programme £M	New Approvals – HRA ** £M	Total BMBC Capital Programme £M
STRONG & RESILIENT COMMUNITIES	(1) Create More & Better Jobs & Good Business Growth	39.210	-	-	-	39.210
	(2) Increase Skills To Get More People Working	-	-	-	-	-
	(3) Develop A Vibrant Town Centre	98.776	31.149	-	-	129.925
	(4) Strengthen Our Visitor Economy	11.790	0.806	-	-	12.596
	(5) Create More & Better Housing	14.403	-	51.659	21.987	88.049
	Sub Total	164.179	31.955	51.659	21.987	269.780
PEOPLE ACHIEVING THEIR POTENTIAL	(6) Every Child Attends a Good School	10.646	6.097	-	-	16.743
	(7) Early, Targeted Support For Those That Need It	2.141	-	-	-	2.141
	(8) Children & Adults Are Safe From Harm	0.239	1.000	-	-	1.239
	(9) People Are Healthier, Happier, Independent & Active	6.854	4.076	-	-	10.930
	Sub Total	19.880	11.173	-	-	31.053
THRIVING & VIBRANT ECONOMY	(10) People Volunteering & Contributing Towards Stronger Communities	-	0.250	-	-	0.250
	(11) Protecting The Borough For Future Generations	39.791	76.667	-	-	116.458
	(12) Customers Can Contact Us Easily & Use More Services Online	0.195	-	-	-	0.195
	Sub Total	39.986	76.917	-	-	116.903
	Total	224.045	120.045	51.659	21.987	417.736

* Appendices 1 and 2 from Capital Investment Programme (GF) which includes proposals that are subject to successfully receiving external funding. Should these schemes not be successful, then the above figures will be revised accordingly.

** Per Approved HRA Budget

4 THE COUNCIL'S CAPITAL ASSETS & MANAGEMENT OF THOSE ASSETS

What Type of Capital Asset Does The Council Control?

- 4.1 The Council is responsible for a wide variety of capital assets, which are located physically throughout the Borough. The Authority controls, but not necessarily legally owns, these assets for a number of reasons:
- firstly, the Council may have inherited them as part of local government reorganisation and by virtue of the existence of the Council in its legal capacity as a local authority e.g. the road network and heritage assets;
 - secondly, the assets could have been purchased or enhanced by the Council through capital investment via its capital programmes over the years e.g. Industrial Sites and software packages such as SAP;
 - thirdly, the Council could have leased or financed the assets via PFI agreement e.g. BSF Schools and leased fleet vehicles; or
 - finally, the assets could be held as a strategic decision made by the Council e.g. loans made to third parties of financial assistance.
- 4.2 These assets are shown in the table below, with their respective value to the Authority as at the 31st March 2020, in accordance with the regulatory reporting requirements. It must be noted that these values do not necessarily constitute what the Authority actually paid for the assets as the asset base is regularly reviewed to reflect their current existing use 'value' and depreciated over its useful life.
- 4.3 It is important to understand the make-up of the overall Council asset base when considering this Capital Investment Strategy from the contextual viewpoint that ultimately the Council's capital (and revenue) programmes contribute towards maintaining, enhancing and adding to this asset base. A synopsis of each category, together with illustrative examples and commentary of any specific issues is shown in the subsequent paragraphs.

Asset Category	Net Book Value as at 31 st March 2020 £M
Council Dwellings	580.4
Other Land & Buildings	301.6
Vehicles, Plant, Furniture & Equipment	9.4
Infrastructure Assets	264.6
Heritage & Community Assets	10.4
Assets Under Construction	70.1
Surplus & Held for Sale Assets	7.0
Intangible Assets	0.9
Long Term Investments	4.4
Long Term Debtors	0.9

Council Dwellings

- 4.4 Council dwellings represent the Council's social housing stock held in its role as housing authority, which are held in the Council's HRA and are required to be separately treated from GF activity as per the statutory ring-fence arrangements.
- 4.5 The Council's dwellings are subject to a decency standard, called the Barnsley Home Standard, which continues the Decent Homes Standard as previously set out by Government. Within this context and as part of the HRA budget process, significant capital investment plans are proposed, in conjunction with the 30-year HRA business plan that ensures that this decency standard is maintained.
- 4.6 A further issue in respect of the council dwelling stock is the Right to Buy (RTB) agenda introduced by Government, which allows, within certain parameters, council tenants the right to buy their council home at a discount. To part mitigate the impact of this and again, as part of the HRA budget setting process, capital investment is planned in purchasing empty homes and new build programmes within the Borough to recycle back into the housing stock.
- 4.7 In respect of the maintenance of the Council's dwellings, the HRA revenue budget sets aside a significant maintenance budget to ensure the upkeep of its dwelling portfolio. The HRA planned maintenance programme is outlined in paragraphs 4.59 through to 4.63.

Other Land & Buildings

- 4.8 Other land and buildings represent other operational assets of the Council, used in the provision of services, with examples including industrial estates, leisure centres and maintained schools.
- 4.9 The Asset Management Strategy sets out the Council's approach in respect of the management of its land and buildings, and is explained in further detail at paragraphs 4.28 and 4.29.
- 4.10 With respect to maintenance of these assets, the Council has a planned maintenance programme that ensures the upkeep of these assets, which is outlined in paragraphs 4.55 through to 4.58.

Vehicles, Plant, Furniture & Equipment

- 4.11 The vehicles, plant, furniture & equipment category is relatively self-explanatory and includes both leased and owned assets including wheeled bins, waste disposal vehicles and computer hardware.
- 4.12 The Council has a vehicle replacement programme and an IT Technology Refresh programmes to cater for future requirements in those areas. The vehicle replacement programme is applied in the context of the Fleet Strategy, which provides the overarching approach to how the Council disposes, and acquires its fleet vehicles (paragraphs 4.38 through 4.41 refers). Both of these programmes are managed in line with customer requirements and service needs accordingly.

- 4.13 In terms of replacement / renewal, where a priority is identified relating to VPF&E and necessitates an additional call on the Council overall resources, then the capital prioritisation process would apply accordingly.

Infrastructure Assets

- 4.14 Infrastructure assets are assets relating to roads, cycleway and footpath networks as well as its structures, street furniture, traffic management systems, street lighting and highway land.
- 4.15 The Highways Asset Strategy, as summarised in paragraphs 4.32 through to 4.37 below, demonstrates how the Council manages these assets over the medium term in respect of both maintenance and adoption of whole lifecycle costs that determines the approach of renewal and appropriate treatment.

Heritage & Community Assets

- 4.16 Heritage assets are assets that have historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for its contribution to knowledge and culture. Community assets are assets held in perpetuity by the Council for the benefit of its residents, often with some restriction on future disposal.

Assets Under Construction

- 4.17 Assets under construction are capital assets that have yet to become operational at the reporting date i.e. they are still under construction and are not currently delivering services.

Surplus & Held for Sale Assets

- 4.18 Surplus assets are assets that are deemed surplus insofar as they are no longer providing services on the Council's behalf, but they are not designated held for sale.
- 4.19 Assets Held for Sale are assets that are, in financial reporting terms, designated as held for sale which means they are actively being marketed and there is an expectation that these assets will be sold within the next 12 months.
- 4.20 The Asset Management Regeneration & Growth Plan, outlined in paragraph 4.30 to 4.31 would consider such assets against potential disposal requirements.

Intangible Assets

- 4.21 Intangible assets are non-physical; capital assets held by the Authority, examples include software packages.
- 4.22 In terms of replacement / renewal, where a priority is identified relating from an intangible asset point of view, if the proposal meant an additional

call on the Council overall resources, then the capital prioritisation process would apply accordingly.

Long Term Investments

- 4.23 Long-term investments in this context relate to strategic decisions made by the Council to invest in certain special purpose vehicles (SPV's) and partner organisations that support front line service delivery, which used capital resources to originally fund them – as opposed to treasury management investments that are purely for cash flow activity.
- 4.24 Where these shares/investments are redeemed, the receipt is treated as a capital receipt and it is Council policy to write down the Council's debt requirement with those receipts on a prudent basis.

Long Term Debtors

- 4.25 Similar to the long-term investments as outlined in paragraph 4.23 above, long term debtors in this context relate to strategic decisions made by the Council in respect of granting financial assistance and support to partner bodies as long term loans, again, using capital resources to originally fund these.
- 4.26 When these loans are repaid to back to Council, the repayment is treated as a capital receipt and it is Council policy to write down the Council's debt requirement with those types of receipts.

Asset Management Strategies / Plans

- 4.27 The Council has a number of strategies relating to its assets to ensure that they are still fit for purpose and are as efficient as they can be as a strategic asset base in supporting Service Departments to provide services to the taxpayer. Each of the following strategies has significant influence on the Council's capital programme and assists in shaping its priorities moving forwards.

Asset Management Strategy

- 4.28 Asset Management Strategy seeks to demonstrate that the Council is employing good practice in the management of its assets and is supporting the Council's strategic goals.
- 4.29 The Asset Strategy sets out the Council's key ambitions for the borough, taking into consideration six main themes:
- *Theme 1 - Opportunity Gap* - identifying and addressing the barriers and challenges to eliminate the opportunity gap and release the full potential in the Council's assets. Developing clear pathways to supporting the goals of other corporate plans and strategies;
 - *Theme 2 - Accelerated Growth Sites* - supporting regeneration and growth strategies to accelerate development opportunities. Building strong and lasting relationships with developers;

- *Theme 3 – Communities* - building strong and inclusive communities using asset based community development. Galvanising the strengths that already lie within communities to bring people together;
- *Theme 4 - One Public Estate* - supporting joint working across the public sector organisations to release land and property and boost economic growth, regeneration and integrated public services;
- *Theme 5 - Accommodation & Workstyle* - ensuring that our accommodation supports flexible and agile working. To provide reliable and efficient technology to mobilise employees and enable better and more efficient ways of working;
- *Theme 6 - Energy Management* - minimising our energy consumption and promotion of energy efficient design in new and refurbished buildings. Promotion of renewable energy.

Asset Management / Regeneration & Growth Plan

- 4.30 Following from the context set out in the Asset Management Plan, the Regeneration & Growth Plan outlines and identifies a rolling programme of potentially surplus land and property assets for future year's disposals and/or regeneration.
- 4.31 The Regeneration & Growth Plan supports the Medium Term Financial Strategy and Reserves Strategy respectively by identifying the potential level of one off resources that may be available to support the overall Capital Investment Plan through the maximisation of capital receipts and development opportunities arising from the ongoing review of the Council's assets.

Highway Asset Management Strategy

- 4.32 A high quality highway network asset will contribute to the Council's corporate priorities for growth and prosperity by supporting economic growth through business, commuting and leisure activities.
- 4.33 To achieve this ambition, a whole-life approach to the management of the highway asset has been embraced by building in best-practice methods to deliver the optimum value for money. This output-based approach allows consideration of wider strategic objectives whilst factoring in local priorities. The resulting analysis seeks to ensure that our forward maintenance programme meets the needs of the council and its wider community.
- 4.34 Using this intelligence based approach for the identification and prioritisation of planned maintenance, we will develop long (5+ years), medium (3 year) and short-term (annual) programmes for the asset with prioritisation being transparent and evidence based.
- 4.35 Life cycle plans will consider the condition of the asset and assess its future performance by applying agreed risk and investment policies, which

will be used to develop the works programmes and strategies required to achieve our service objectives.

4.36 The Council will seek to maintain a record of the entire asset, from creation to disposal, which will encompass the main work activities used in the management of a highway network:

- 1) *Operations and Maintenance*: Activities undertaken to ensure the efficient operation and serviceability of the asset;
- 2) *Renewal*: Provision for progressive replacement of individual assets that have reached the end of their useful life and which cannot be sustained by routine maintenance alone; and
- 3) *Development*: Improvement of systems that currently perform below set target service standards or that need upgrading to meet future demand.

4.37 From this collated information, appropriate maintenance interventions are derived in accordance with the principles of whole life costs with the aim of maximising our resource to extend the life of the asset.

The Fleet Strategy

4.38 The Council currently operates and maintains a fleet of over 440 vehicles, plant and equipment. These assets range from a waste disposal vehicle and a tractor to a simple car.

4.39 On average, Council vehicles have a useful life of between four and eight years. The actual useful life depends for example on the type of vehicle, how well the vehicle is maintained, service requirements and cost of financing.

4.40 A rolling replacement programme is undertaken in line with the asset's useful life and available resources. Before a vehicle is replaced, consideration is also given to a number of other factors. These include:

- Current and future service delivery needs;
- Alternative options e.g. does the vehicle have multiple uses or is there another way in which the service can be delivered without the use of the vehicle;
- Consideration of technological advances including introduction of electric vehicles; and
- Financing options including lease or buy.

4.41 In order to seek approval to undertake vehicle replacement(s) a report is presented to Cabinet periodically, which identifies those vehicles to be replaced as well as highlighting what consideration has been given to the factors above.

Housing Strategy

- 4.42 The Council's Housing Strategy builds on housing and regeneration initiatives that have been delivered across the borough. It also builds on the progress that Barnsley has made over a number of years towards achieving the long-term goal for the borough as 'a successful, uniquely distinctive town that offers prosperity and a high quality of life for all'.
- 4.43 It sets out the Council's ambitions for housing provision, investment and management in the borough over the next 20 years. The Council is prioritising actions with a series of four-year delivery plans, including the issues that are expected to be tackled first and the issues we expect to address over the long term. The plans will also show how we will use our resources and influence partners, particularly the private sector, to achieve our goals.
- 4.44 The housing delivery plan considers five main strategic objectives:
- Support new housing development;
 - Build high quality, desirable and sustainable homes;
 - Make best use of and improve existing housing stock;
 - Develop strong and resilient communities; and
 - Support younger, older and vulnerable people to live independently.

Transport Strategy

- 4.45 The Transport Strategy identifies and prioritises transport interventions associated with sustainable development to meet aspirations as set out in the Council's Local Plan, the Jobs and Business Plan, the Housing Strategy, Economic Strategy and the Energy Strategy.
- 4.46 Many of the local accessibility and highway interventions will be delivered by the Council but it is also necessary to also work with partner organisations at a local, regional and national level to deliver this strategy. These will encompass other local authorities, local community groups, transport operators, health agencies, the South Yorkshire Passenger Transport Executive, Local Enterprise Partnership, Sheffield City Region, Leeds City Region, Highways England, Network Rail and Government Departments.
- 4.47 It is the Council's priority for transport investment to support economic growth and to achieve a safe, sustainable community. The Council will utilise funding from a variety of sources to realise our ambitions that in turn are supported by a robust modelling and evidence base.
- 4.48 The four key transport priorities within the Transport Strategy sets out how the Council will achieve our vision to promote economic growth and improve the quality of life of Barnsley's residents and are shown below:
- Promote Economic Growth and Strategic Connections;
 - Promote Inclusion, Accessibility, and Better Quality of Life;

- Promote High Quality Natural Environment, Local Air Quality and Climate Change; and
- Promote Safety, Security and Health.

Jobs & Business Growth Plan

- 4.49 The Jobs and Business Growth Plan was launched in 2014 and established a framework to deliver a number of key projects that would set Barnsley on the path of reshaping its economy to close the jobs and business gap.
- 4.50 The strategy has five key programme areas (Attracting Inward Investment, Investing in Infrastructure, Improving the Town Centre, Growing Existing Businesses and Higher Value Start-Ups) and originally identified 25 key projects.
- 4.51 The key headlines are shown below:
- **Invest in Infrastructure** - Property Investment Fund (PIF) is a package of support, which is in place to help address market failure and encourage speculative development in key strategic employment sites;
 - **Town Centre** – a clear strategy for the regeneration of the town centre is being implemented and significant progress has been made in the demolition of redundant buildings, the development of a temporary market building and the commencement of the refurbishment of the Metropolitan Centre;
 - **Inward Investment** – an inward investment team has been established to co-ordinate the Barnsley Offer to potential inward investors and indigenous businesses looking to expand. Investment into the borough is increasing and is now at its highest level for eight years;
 - **Grow Existing Businesses** – the award winning Enterprising Barnsley programme of business support has continued to deliver significant private sector job growth and remains a key product in delivering future economic growth in Barnsley; and
 - **Launchpad** – significant progress has been made in delivering a universal business start-up programme, the establishment of the Sheffield City Region Launchpad helps to ensure a unified approach to start-up provision across the region.

Social Value Policy

- 4.52 The Council has recently adopted a Social Value Policy, which sets out how it approaches its actions and ultimately how it makes decisions, in the context of the wider, social benefits within the Borough.
- 4.53 This policy dovetails and aligns to the Council's overall vision of a Better Barnsley whilst also directly contributing towards the achievement of its core priorities. In respect of achieving the overall vision of a "Better Barnsley" from a Social Value perspective, the Council's philosophy is "Social Value – We Can Do Better".

4.54 The Council will achieve this vision through:

- **Supply Chain Management** – utilising local suppliers;
- **Employment and Skills** – encouragement of local employment, use of apprentices;
- **Sustainability** – ensuring the longevity of the economy / jobs market etc. over both the medium and long-term horizons;
- **Economic Regeneration** – aligns and complements with the Jobs & Business Growth Plan in respect of growing and developing the Borough's economy.

Planned Asset Maintenance

General Fund Planned Asset Maintenance

4.55 The planned maintenance programme is based on the principles of good asset management practice supported by an asset management planning system in accordance with both Government and RICS guidelines.

4.56 The Asset's team use a prioritisation methodology as to better utilise their resources through the planned maintenance programme, which is explained below:

1. A comprehensive list of the Authority's priorities is compiled from business unit plans. Due to the scale of the Council's maintenance backlog, this list always exceeds the resources available;
2. A risk management system is used to prioritise the maintenance proposals against the available resources, i.e. worst first. Some items are prioritised by services alone because they are urgent health and safety risks;
3. Assessment of available condition data is undertaken to globally prioritise all identified maintenance needs for the Authority.

4.57 The result of this exercise is that a schedule of maintenance priorities, originating from Service Plans, is produced.

4.58 A full review of cyclical maintenance in Council buildings is carried out annually, to ensure that the Council is meeting statutory and insurance obligations. A key benefit of a comprehensive cyclical maintenance programme is that by maintaining stock effectively, efficiency will be maximised and the life of components, within buildings, will be prolonged.

HRA Planned Asset Maintenance – The Social Housing Property Repairs & Improvement Contract (PRIP)

4.59 The Council is committed to investing in both its housing stock and its communities and considers an efficient and effective service covering housing repairs, maintenance and capital improvements across the Borough is a top priority and one of the keystones of Council policies.

- 4.60 Over the last decade, the Council has had excellent results from its Property Repairs and Improvement Partnership (PRIP) Contract with the appointed contractors.
- 4.61 The Contractor is required to deliver large-scale social housing maintenance and improvement works to the Council's housing stock including:
- Emergency and Out of Hours Repairs;
 - Reactive Day-to-Day Repairs;
 - Gas Repairs and Servicing;
 - Cyclical and Planned Maintenance;
 - Void Properties Maintenance;
 - Major and Minor Adaptations Work; and
 - Whole House / Elemental Capital Improvements.
- 4.62 The HRA revenue budget has a significant element set aside of its total budget for repairs and maintenance to its housing stock which, together with the Barnsley Homes programme, ensures that the housing stock meets the decency standard.
- 4.63 The level of repairs and maintenance is sustained over the 30-year business plan period, which not only safeguards the Council's stock from disrepair but also ultimately provides a valuable income stream to the Council through dwelling rents.

5 CAPITAL FUNDING

How is Capital Expenditure Funded?

- 5.1 The Council's Capital Programme is currently funded from a variety of sources, which are explained in the paragraphs below, together with the process by which these sources are used/prioritised and any wider implications moving forwards.
- 5.2 The Council's overall strategy with regards to capital funding is to bring together the resources that it has it can control i.e. not ring-fenced / time limited and considers them holistically against the Council's capital priorities. Section 5.38 demonstrates this in greater depth and detail.
- 5.3 Each funding source along with any specific variants are discussed in sections 5.4 to 5.30 below.

Funding Sources

Capital Receipts

- 5.4 The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. There are differing types of receipts that the Authority receives that are treated in different ways – these are explained in the paragraphs below.
- 5.5 *Earmarked Capital Receipts* – such receipts are that, once received, are earmarked for a specific purpose or use. Earmarkings are ordinarily stipulated at the point of approval relating to the disposal of certain assets. For example, the receipts from the disposal of the former secondary school sites are earmarked for writing down the Council debt requirement following the Building Schools for the Future (BSF) programme.
- 5.6 *Dwelling Receipts* – such receipts are those generated from the sale of the Council's dwellings (Council Houses). There are stipulations by Government about the use of these receipts. The gross receipts are split between:
- Contribution to Council's transaction costs (to revenue);
 - Government's share (payable to Government);
 - The Council's general share (retained by the Council – no restrictions to use);
 - Allowable Receipts (retained by the Council – no restrictions to use although an internal adjustment is required between GF and HRA CFR's if the receipt is used on non-housing/economic regeneration schemes). These receipts notionally relate to the debt incurred by the Council in constructing/acquiring the council houses that have been sold;
 - 1-4-1 Receipts (retained by the Council – restrictions to use). The 1-4-1 receipts are restricted to: 1) use on increasing housing stock, 2) use within 3 years of receipt and 3) restricted to fund no more than 30% of the cost of such schemes.

- 5.7 *General Receipts* – such receipts are received with no restrictions on their future use. These ordinarily are receipts received from the adoption of the Asset Disposal Programme (as referred to in the Asset Management Strategy 2017-22). These resources are held corporately, pending the Authority's Reserve Strategy and MTFs, which make them available for consideration against the Council's corporate capital priorities.

Reserves

- 5.8 The Council holds both general fund and HRA reserves on its balance sheet that generally result from previous years' underspends.
- 5.9 Both HRA and General Fund reserves can be applied to either revenue or capital expenditure although HRA reserves must be spent on housing activities in line with ring-fence arrangements stipulated by legislation.
- 5.10 The reserves held ordinarily fall within one of the following three categories:
- Service Earmarkings – these are resources held for specific service delivery reasons that will complete in future years;
 - Minimum Working Balance – as determined by the Section 151 Officer for unforeseen events / contingency from both GF and HRA perspectives; or
 - Corporate Priorities – these are resources held for future identified prioritised schemes / pressures, of which the capital priorities are included.
- 5.11 The respective reserves strategies for GF and HRA follow the same principles, which are outlined below:
- Reserves are only used for one off investments, which tend to be typically capital in nature;
 - Any available resources identified, over and above service specific reserves, are considered holistically against Council/ HRA priorities; and
 - The reserves held are periodically reviewed for adequacy and necessity with any reserves no longer needed, freed up for consideration against the Council's wider priorities.

Revenue Funding (RCCO)

- 5.12 The Council can use revenue resources to fund capital projects on a direct basis and ordinarily, this is done on a specific scheme/project basis. This is usually relatively small scale as a result of austerity measures imposed by the Government on the Council's revenue budget, which has reduced its capacity to fund capital projects.

Capital Grants

- 5.13 The Council is currently producing a formal External Funding Strategy which will be considered by Members in due course. The principles within this strategy sets the framework under which the Council seeks to access

all external funding (see 5.32 below). The greatest proportion of the external capital funding that the Council receives relates to capital grants, of which there are generally two main types - recurrent and one-off.

- 5.14 *Recurrent Grants* – these external grant allocations are received by the Council annually and relates to major areas of the Council's capital programme e.g. Highways funding via Sheffield City Region, School Condition & Basic Needs Grant from the Department for Education and Disabled Facilities Grant from the Ministry of Housing, Communities & Local Government.
- 5.15 *One-off Grants* – by definition, these grants are received for one off projects/schemes and are usually subject to a bidding / application process. Certain grant bodies require a 'match' funding element, which ultimately means that the Council has to contribute its own resources as a commitment to the scheme. Where the responsible service has specific resources available for the match element, then this can be used. Where it does not, the match element is treated as a call on the Council's own capital resources and included in the prioritisation process accordingly.
- 5.16 Both types of grants (recurrent / one off) may have conditions and restrictions regarding what it can be used on and the time limit in doing so.
- 5.17 *Grants with Restrictions* – where restrictions are applied to grants, this means that the Council is restricted on what it can spend the grant on. Therefore, the Council aligns these specific grants to the schemes that satisfy the inherent conditions of the grants.
- 5.18 *Grants with No Restrictions* – where the Council receives any grant that is not subject to any conditions or restrictions, these resources are held corporately, pending finalising the Authority's Reserve Strategy and MTFS, and ultimately made available for consideration against the Council's corporate capital priorities.
- 5.19 The Council is part of the Sheffield City Region. This is a relatively newly formed public administration that is part of the devolution of power agenda of the Government with powers transferred at a regional level to local government. The Council has received, and continues to receive, a significant amount of grant from Sheffield City Region. Sections 5.32 to 5.37 explain the relationship between the Council and Sheffield City Region in terms of funding opportunities over the medium to long term.

Capital Contributions

- 5.20 The Council receives a significant level of capital contributions that fund elements of the capital programme. An example of this is Section 106 contributions that are received by developers as condition of award of planning permission, usually for spend on the betterment of the immediate area.
- 5.21 In a similar manner to grants, capital contributions can be either recurrent or one-off and can be subject to restrictions and conditions. Typically, most contributions tend to be restricted and one-off in nature, though these characteristics are determined by each individual agreement.

- 5.22 Where contributions are received with conditions, specific schemes are proposed to spend the contribution in line with the restrictions stipulated. In the event of an unrestricted contribution being received, these resources are held corporately, pending finalising the Authority's Reserve Strategy and MTFS but are invariably made available for consideration against the Council's corporate capital priorities.

Leasing

- 5.23 The leasing route in respect of funding capital expenditure allows those capital costs to be spread over a number of years where it is prudent and affordable to do so. The leasing option is invariably compared with the option to borrow to establish a value for money assessment over the life of a scheme.
- 5.24 Leasing is a series of rental payments in exchange for use of an asset and they tend to be specific to certain elements of the capital programme e.g. buildings, vehicles and equipment.
- 5.25 In accounting terms, there are currently two types of lease, an operating and a finance lease, the treatment of which are very different in the context of capital financing.
- An operating lease is one where the risk and reward remains with the lessor and therefore the asset remains on the lessor's balance sheet, with the annual rentals being expensed through the revenue budget. The Council is party to a number of these arrangements; and
 - A finance lease is one that transfers the risks and rewards to the lessee, and results in the asset being on the lessee's balance sheet via a capital transaction. At the point of inception of the lease, a liability is recognised to finance the asset over the lease term, with the annual rental being split notionally between interest and principal.
- 5.26 The implications on the capital position of the Council of finance leases is that the debt requirement is increased as a result albeit it is a funded credit facility in its own right.
- 5.27 In 2022/23, the accounting requirements for leased assets are changing through a revision to accounting standard IFRS 16. The change means that there will no longer be the distinction of finance and operating leases – all leases will be now effectively finance leases, which means that the Council's debt requirement will increase. Decisions to lease in the future will be considered against this new accounting standard.

Prudential Borrowing

- 5.28 The introduction of the Prudential Code in 2004 allowed the Council to undertake government funded borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities, which ensures that any unsupported borrowing is affordable,

prudent and cost effective. This type of borrowing has revenue implications for the Council in the form of financing costs from both an MRP and interest point of view.

- 5.29 Within the current MTFS, there is an annual revenue budgetary provision to support an additional £5M of capital investment funded from borrowing. This roughly equates to a base budget provision of approximately £0.270M for 2021/22.
- 5.30 Any further contemplation of increasing the Council's debt requirement through additional borrowing, over the £5M provided for, is only considered against schemes that have a strong evidence base towards stimulating economic development in the Borough and invariably have accompanying future income streams that will cover the costs of borrowing.

5.31 **Indicative Capital Programme Funding for 2020/21 through 2025/26 per Corporate Priority**

Corporate Priorities	Corporate Outcomes	Total BMBC Capital Programme £M	Capital Receipts £M	GF Reserves / RCCO £M	HRA Reserves / RCCO £M	Grants & Contributions £M	Borrowing / Leasing £M	Total Funding £M
STRONG & RESILIENT COMMUNITIES	(1) Create More & Better Jobs & Good Business Growth	39.210	0.182	10.495	-	24.114	4.419	39.210
	(2) Increase Skills To Get More People Working	-	-	-	-	-	-	-
	(3) Develop A Vibrant Town Centre	129.925	11.600	17.798	-	33.291	67.236	129.925
	(4) Strengthen Our Visitor Economy	12.596	2.279	1.507	-	5.076	3.734	12.596
	(5) Create More & Better Housing	88.049	3.403	2.695	63.043	18.908	-	88.049
	Sub Total	269.780	17.464	32.495	63.043	81.389	75.389	269.780
PEOPLE ACHIEVING THEIR POTENTIAL	(6) Every Child Attends a Good School	16.743	-	0.409	-	16.334	-	16.743
	(7) Early, Targeted Support For Those That Need It	2.141	1.400	0.741	-	-	-	2.141
	(8) Children & Adults Are Safe From Harm	1.239	-	-	-	0.239	1.000	1.239
	(9) People Are Healthier, Happier, Independent & Active	10.930	0.022	-	-	10.906	0.002	10.930
	Sub Total	31.053	1.422	1.150	-	27.479	1.002	31.053
THRIVING & VIBRANT ECONOMY	(10) People Volunteering & Contributing Towards Stronger Communities	0.250	-	-	-	-	0.250	0.250
	(11) Protecting The Borough For Future Generations	116.458	1.640	9.279	3.100	86.720	15.719	116.458
	(12) Customers Can Contact Us Easily & Use More Services Online	0.195	-	0.158	-	0.025	0.012	0.195
	Sub Total	116.903	1.640	9.437	3.100	86.745	15.981	116.903
	Total	417.736	20.526	43.082	66.143	195.613	92.372	417.736

External Funding Opportunities

- 5.32 Central Government are continuing with their plans to promote and support the devolution of power and decision making within the United Kingdom with powers being transferred at a regional level to local government. In the Council's case, this is via the Sheffield City Region.
- 5.33 The Sheffield City Region has a diverse economy comprising a dynamic core city, important towns and market towns, acres of countryside and a significant rural economy. The City Region encompasses more than 1.8 million people and approximately 700,000 jobs.
- 5.34 It is important that the Council retains a key role in the SCR to ensure that it can feed into and benefit from the SCR especially any funding opportunities. The SCR is the lead organisation for the following key strategic programmes:
- *Growth Plan*: sets out the Sheffield City Region's plans to transform the local economy over the next decade;
 - *LEP Board*: Local Enterprise Partnership (LEP) brings together business leaders and local politicians to make decisions that drive economic growth and create new jobs;
 - *Combined Authority*: The term "Combined Authority" means the bringing together of two statutory bodies - the Integrated Transport Authority (ITA) and an Economic Prosperity Board (EPB) in order to align political decision making around strategic Economic Development and Transport.
- 5.35 The Sheffield City Region currently represents perhaps the most significant funding source to the Council in terms of supporting the delivery of its major capital investment plans. With the wide variety, nature and size of the funding streams currently at its disposal as well as in future, it is vital that the Council ensures its priorities are fed into SCR's planning and programme development.
- 5.36 In July 2014, the SCR secured £297M of capital funding from the government's Local Growth Fund to invest over the period 2015/16 to 2020/21 on major transport and infrastructure schemes, developing sustainable transport, investing in skills infrastructure, and supporting business growth and investment. A further £30m was allocated in January 2015 under an extension to the Growth Deal covering the period 2016/17 to 2020/21.
- 5.37 Incidentally, the Council has already benefited by securing funding via SCR for developments at M1 Junctions 36 and 37. A number of bids are also actively being progressed including funding to support the Glassworks Development and Digital Campus.
- 5.38 Within the Council, a refreshed external funding strategy is being developed to provide Elected Members, Officers and our Partners with a robust framework that will enable them to identify and optimise available external funding opportunities in a co-ordinated, dynamic and innovative manner. The key aims of the strategy are:

- To provide a strategically “synched” framework for the identification, evaluation, and optimisation of external funding opportunities for the Council and its Partners;
- To facilitate a consistent, standardised and co-ordinated approach to support the pursuit and subsequent management of external funding including the establishment of processes to consider financial, procurement and legal requirements;
- To provide the resources necessary to effectively identify / communicate / signpost and access funding opportunities; these to be made available both across the Council and to its partners;
- To actively support the development of skills and expertise of the Council and its partners in funding optimisation and management; and
- To develop collective awareness of the status / intent of external funding opportunities, bids and awards to prevent duplication of bids and support holistic, intelligent optimisation of funding.

Capital Funding Approach

5.39 The Council will look to actively follow an approach to capital funding as set out below, although the Council may make changes to this approach if it is deemed necessary in order to deliver priority outcomes and/or maximise its resources.

- Time limited funding – funding that must be used within a specified time period will usually be applied first, assuming that there is expenditure that it can be legitimately be applied to. This is subject to any match funding requirements.
- Ring-fenced funding – funding linked to a particular scheme or type of scheme will be allocated in full to the relevant capital projects. One example is Government funding for Disabled Facilities Grants.
- Where the Council has discretion over how the funding can be spent, including non-restricted grants and contributions, affordable prudential borrowing allocations and its internally generated resources (capital receipts, revenue contributions, reserves etc.), these resources are considered holistically and prudently used to deliver the Council's corporate priorities. This is achieved via the process described in paragraphs 3.16 through to 3.31.
- Match funding – where match funding is required from the Council's corporate resources to lever in external funding, the match element will be considered as a capital priority in its own right. This is subject to the same capital prioritisation process as other capital priorities.
- Leasing / Borrowing – Over and above an annual £5M prudent and affordable allocation of borrowing, only prudent and modest proposed schemes that have a robust case for stimulating economic growth in the Borough will be considered. The scrutiny and due diligence on such schemes is subject to robust challenge including reviewing the scheme phasing to actively spread the risk to the Council.
- External Funding – The Council is in the process of adopting a new external funding strategy, which aims to identify and view external opportunities on a holistic basis. This strategy will seek to review all available external funding sources open to the Council and implement the key processes and procedures that need to be adopted when considering / making an application for funding from an external source.

6 TREASURY MANAGEMENT

What is Treasury Management?

- 6.1 CIPFA defines treasury management as:

“The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”

- 6.2 The definition above immediately explicitly links this Capital Investment Strategy (“*capital market transactions*”) to the Council’s Treasury Management Strategy (“*Borrowing, investment and cash flows*”). The Capital Investment Strategy and Capital Programme determines the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The Treasury Management Strategy

- 6.3 The Council’s Treasury Management Strategy, which is prepared in accordance with the requirements of the Local Government Act 2003, that stipulates that local authorities must ‘have regard to’ a number of statutory codes, including the CIPFA Prudential Code & Treasury Management Code, is approved annually by full Council, as part of the budget setting process.
- 6.4 In broad terms, the TM Strategy sets out the following:

The Treasury Management Policy Statement The Council’s overall policies, practices and objectives in relation to treasury management
The Council’s Capital Expenditure Plans The Council’s indicative capital programme over the next few years
The MRP Policy Statement How residual capital expenditure will be charged to revenue over time
The Council’s Borrowing Strategy How its ongoing borrowing requirement will be managed, with regard to interest rate and refinancing risk
The Annual Investment Strategy How any surplus cash will be managed, with regard to the principles of Security, Liquidity and Yield
The Council’s Prudential and Treasury Indicators The limits and indicators designed to help monitor and control treasury management risk

The Borrowing Strategy

- 6.5 Within the context of increasing economic uncertainty and interest rate volatility, the proposed strategy is to:
- **Maintain a minimum proportion of fixed-rate borrowing** in order to limit the Council's exposure to interest rate risk;
 - **Maintain a balanced maturity profile on long and short-term borrowing** in order to limit the Council's exposure to refinancing risk; and
 - **Maintain an appropriate level of internal borrowing** in order to reduce the Council's financing costs.

The Annual Investment Strategy

- 6.6 Whilst previous investment strategies have sought to keep the Council's investment balances to a minimum, they will ultimately increase as the Council takes on more fixed-rate borrowing. Within this context the proposed strategy is to:
- **Invest any surplus cash in secure products and counterparties** in order to minimise the risk of loss;
 - **Maintain a minimum balance of liquid funds** in order to ensure that sufficient cash is available when needed, and
 - **Within this context, seek to optimise performance** in terms of yield.

The Council's Borrowing Need, The External Debt Position & Associated Debt Limits

The Council's Borrowing Need (The CFR)

- 6.7 The measure that the Council assesses its debt position is the Capital Financing Requirement (CFR), which is essentially a measure of the Council's underlying borrowing need. Included in the Treasury Strategy, Members are asked to approve the CFR projections below, which include both approved and anticipated capital expenditure that are not financed by using available resources i.e. Prudential Borrowing / Leasing:

CFR	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)	2023/24 (£M)
General Fund Borrowing	571.902	592.534	587.511	582.200
HRA Borrowing	271.734	271.734	271.734	271.734
Other Long-Term Liabilities	239.867	237.350	234.630	231.728
Total	1,083.503	1,101.618	1,093.875	1,085.662

- 6.8 By the end of the 2023/24 financial year, it is estimated that the Council's debt requirement will total £1.086bn.
- 6.9 The capital expenditure decisions that are made in the context of this Capital Investment Strategy inform the estimated CFR position in future years, which are only approved if they meet the prudent and affordable criteria.

External Debt

- 6.10 The table below measures the Council's overall external debt position (including leasing) against its underlying estimated borrowing need or CFR.

	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)	2023/24 (£M)
Borrowing CFR	843.636	864.268	859.245	853.934
Gross Borrowing	(643.936)	(626.544)	(593.807)	(575.373)
Under-Borrowed Position	199.700	237.724	265.438	278.561
Support from Usable Reserves	(90.592)	(53.852)	(49.714)	(47.791)
External Borrowing Requirement	109.108	183.872	215.724	230.770

- 6.11 The Council will be significantly under-borrowed at the end of the period, should no further borrowing be undertaken. This position is offset partly by the Council's useable reserves, which largely represent the cash set aside for investment in future years. By utilising this cash, the Council has the option to defer long-term borrowing until the related spending commitments occur (**also referred to as internal borrowing**).

Debt Limits

- 6.12 *The Operational Boundary* is the Council's limit beyond which external debt is not normally expected to exceed. This limit is set to match the Capital Financing Requirement as shown above:

Operational Boundary (£M)	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund Debt	571.902	592.534	587.511	582.200
HRA Debt	271.734	271.734	271.734	271.734
Other Long-Term Liabilities	239.867	237.350	234.630	231.728
Total	1,083.503	1,101.618	1,093.875	1,085.662

- 6.13 *The Authorised Limit* represents a control on the maximum level of borrowing and provides an absolute limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit has been set at £30M above the Operational Boundary. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised Limit (£M)	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund Debt	591.902	612.534	607.511	602.200
HRA Debt	281.734	281.734	281.734	281.734
Other Long-Term Liabilities	239.867	237.350	234.630	231.728
Total	1,113.503	1,131.618	1,123.875	1,115.662

Debt Repayment Policy

- 6.14 The method by which the Council's underlying borrowing requirement is reduced over time, is through a number of policies that have been adopted by the Council.

Minimum Revenue Provision (MRP)

- 6.15 The Minimum Revenue Provision (MRP) is a charge to the revenue account in relation to (current and residual) General Fund capital expenditure financed by borrowing, as required by the Local Authorities (Capital Finance and Accounting) Regulations 2003. The Council is required to determine an amount of MRP, which it considers prudent - this amount reduces the CFR.
- 6.16 The Council has to approve the MRP Policy on an ongoing, annual basis which sets out the rationale and approach to the MRP charge, which is submitted as an appendix to the Treasury Management Strategy and considered accordingly.

Earmarked Capital Receipts

- 6.17 In some cases, specific approval was given to use the generated capital receipts from certain asset disposals to write down the debt requirement accordingly. The biggest example of this forms part of the Council's Building Schools for the Future programme where the Council's estate of secondary schools was replaced by brand new facilities, which deemed the old sites surplus.
- 6.18 As these old sites are sold, and the receipts are received by the Council, they are used to write down the underlying debt requirement in accordance with the original Cabinet agreement.

Capital Loans & Investments

- 6.19 Where the Council has made a strategic decision to provide financial assistance to a third party body, or invest in a partner organisation, using capital resources, where the Council receives repayments of those loans or redemptions of those shares/investments, it is the Council's policy to write down the underlying debt requirement accordingly.

Other Long-Term Liabilities

- 6.20 The Council also holds a significant value of other long-term liabilities on its balance sheet, which mainly relate to financing of Private Finance Initiative (PFI) schemes and leasing schemes.
- 6.21 In accounting terms, finance leases and most PFI agreements are accounted for as 'on balance sheet', which means that the Council, though not legally owning the associated assets, recognise them on its balance sheet as they have deemed control – which increases the CFR as they haven't yet been financed fully.

- 6.22 What the accounting rules also requires is that a liability is recognised at the time of control to recognise that these arrangements are effectively funding the capital cost of the asset over the length of the lease / PFI agreement. In effect, the long-term liability is a credit facility in its own right.

7 COMMERCIAL ACTIVITY / INVESTMENTS & RISK APPETITE STATEMENT

What is Commercialism?

- 7.1 Since 2010, Central Government's austerity measures have hit local authorities' financial position particularly hard with a cut in central government funding of around 50% over that period. Whilst difficult decisions have been, and continue to be, made, the reduction in resources has also acted as a driver for creative solutions right across the country.
- 7.2 Councils are identifying and using approaches that are more enterprising in nature in order to balance their budgets. These include actively seeking new and innovative revenue streams.
- 7.3 As a concept for delivering public services, 'commercialisation' is by no means a new idea but how it has been interpreted and adopted has varied widely. In essence, it comes down to income generation or, at least, a return on investment, which is being used to plug the gaps left by the cuts in funding.
- 7.4 In response to this activity, the Government decided to reissue a piece of statutory guidance around investments, that was originally issued as part of the 2003 Local Government Act, in an attempt to try and improve transparency and openness relating to some of the non-traditional local authority investments.
- 7.5 A range of new disclosures and reporting mechanisms were introduced as a result, which included a requirement for local authorities to clarify how "non-core investments" contribute towards their core objectives to deliver services to residents.
- 7.6 Councils will also be required to consider a list of quantitative indicators, which will highlight the total risk exposure from borrowing and commercial investment decisions and aid the decision making process for members. Where a local authority is, or plans to become, dependent on yield bearing investment activity to achieve a balanced revenue budget, disclosures should be made detailing the extent to which funding expenditure to meet the core functions of the local authority is dependent on achieving the expected net yield.

Treasury Management Investments

- 7.7 The investments made in respect of the Treasury Management Strategy relate to ones that assist the Council in managing timing issues concerning general, day-to-day management of its cash and bank balance positions. These investments are not included within the Council's capital programme and therefore do not form part of the capital financing requirement.
- 7.8 The Council's general policy objective is to invest its surplus funds prudently, which involves managing a number of associated risks. The Authority's investment priorities (in order) are as follows:
- the security of capital;

- the liquidity of investments; and
- optimum yield commensurate with the above.

The Commercial Strategy

- 7.9 Central Government have made a clear statement of intent that Local Authorities should ultimately become self-financing by raising funding local through taxation, fee and charges and other income sources.
- 7.10 To support this, in 2017, the Council adopted its Commercial Strategy. This strategy is more than just about generating income it is about adopting a more business like mind set by developing and embedding commercial expertise and acumen.
- 7.11 There are a number of key elements that the Council need to remain focused upon in order to continue on our journey to becoming more commercially focused. These elements include:
- Consideration of whole life costs of decisions;
 - Improving efficiency by reducing costs and streamlining processes;
 - Benchmarking our costs and performance;
 - Making evidenced based decisions; and
 - Identifying new opportunities.
- 7.12 In order to ensure we will do the above, the Commercial Strategy sets out four key themes:
- Developing a Commercial Culture;
 - Demonstrate Value for Money across all activities;
 - Effective Procurement and Commissioning; and
 - Maximise Income Generation.

Non-Treasury Investments

- 7.13 On the contrary to the treasury management investments, the non-treasury investments are included in the Council's capital programme and are subject to the capital financing regulations as set out in law. If such investments are funded from borrowing, then like any other scheme, they would increase the Council's capital financing requirement and the revenue budget would incur an ongoing obligation for both MRP and the interest charge over the long term.

Accelerating Growth

- 7.14 The Council is committed to playing a pivotal part in the regeneration of the borough. With this in mind, careful consideration is given to regeneration schemes that accelerate growth that generate future income streams. Such schemes will ensure the borough maintains a level of regeneration that means it is not left behind whilst at the same time, producing an economic return on its investment. These schemes may also produce a financial return that can potentially support wider Council priorities.

- 7.15 A rigorous assessment of such schemes will be undertaken to ensure that there is strong evidence of expected future income streams/ economic return and where this is the case, consideration will be given to prudentially borrow for these schemes.
- 7.16 In addition to applying strong due diligence to each individual scheme, such proposals are to be phased over the planning period to allow time to review existing schemes, manage risk and also assess the overall debt position of the Council.

Risk Appetite Statement

- 7.17 This outlines Barnsley Metropolitan Borough Council's risk appetite with regard to its investment and commercial activities.
- 7.18 For the purpose of this statement, we have adopted the Orange Book (UK government publication on the strategic management of risk within government) definition of Risk Appetite, namely "the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time."
- 7.19 It is important to note that risk will always exist in some measure and cannot be removed in its entirety. Therefore, risks need to be considered both in terms of threats to the Council as well as positive opportunities. It is worth noting that the Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well exist within the organisation.
- 7.20 The Council's risk appetite statement sets out how it balances risk and return in pursuit of achieving our objectives. It is intended to aid careful decision-making, such that the Council takes well, thought through risks to aid successful delivery of its services and obligations whilst also understanding the adverse aspects of any risks taken and acting appropriately to mitigate them in line with its stated goals. Thereby, the Council's risk judgements are more explicit, transparent and consistent over time.
- 7.21 The risk appetite statement forms a key element of the Council's governance and reporting framework and is set by full Council. In addition, the risk appetite statement is monitored on an ongoing basis by senior management, external risk advisors and the Audit Committee as appropriate.
- 7.22 The following points give an indication of the Council's risk appetite:
- The Council does not invest in any assets / investments purely for commercial return. All investments are made within the context of the Corporate Plan and its corporate priorities to stimulate economic growth in the Borough;
 - The Council does not invest in any assets / investments that are outside of the Borough with all investments contributing towards the Council's corporate priorities and its residents;

- Certain schemes such as the Property Investment Fund (PIF) are specifically designed to stimulate particular parts of the Borough by assisting external developers;
- Further consideration will be given to schemes to support such developments across the Borough where the risk sits wholly with the developers.

8 SKILLS & KNOWLEDGE

In House Resources

8.1 The successful implementation of the Capital Investment Strategy necessitates the availability of people with the necessary experience of:

- developing capital projects;
- acquiring and selling properties;
- commissioning partners to deliver the capital programme;
- managing properties as a landlord; and
- sourcing suitable opportunities that match the criteria set under the adopted strategy.

Asset Management

8.2 The Council Asset Management team within the Place Directorate is responsible for managing the current operational and non-operational asset portfolio. This team comprises:

- Head of Property;
- Group Leader - Assets
- Building Surveyors, Inspectors and Estate Officers

Economic Regeneration & Housing Growth

8.3 Whilst all services are integral to delivering this Capital Investment Strategy to achieve the Council's overall objectives, two services within the Place Directorate are pivotal to the strategies' delivery.

The Economic Regeneration service is specifically responsible for stimulating economic regeneration and business growth within the Borough and the Housing Growth service is responsible for stimulating growth specifically in the housing sector from both private and social perspectives.

Finance

8.4 The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive Local Government finance experience between them. They all follow a Continuous Professional Development Plan (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

8.5 The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and is a professionally qualified accountant and follows an ongoing CPD programme.

8.6 All of the Council's commercial projects have project teams from all the professional disciplines from across the Council and when required, external professional advice is taken.

Capital Oversight Board

- 8.7 The members of the Capital Oversight Board have a wealth of experience and knowledge across this and other local authorities. There are a number of the Council's senior officers that sit on the Board, including the Executive Director for Place and the S151 Officer. Furthermore, a wide variety of services from across the Council are represented to ensure that all relevant decision shapers are present and are able to contribute.

Externally Available Resources

- 8.8 The Council also makes use of external advice in developing projects or undertaking due diligence. Good examples include the appointment of development management organisations on the town centre redevelopment as well as regularly utilising the Council's asset management partners NPS Barnsley who provide construction procurement, quantity surveying and design services. Other advice is commissioned as and when required.
- 8.9 The Council also uses external treasury management advisors, Link Asset Services, for bespoke advice and guidance.

Members

- 8.10 Members are familiar with the budget process and approve the Treasury Management Strategy and overall Council Budget. Any additional training requirements will be discussed with the Council Governance team.
- 8.11 Internal and external training is offered to members on an annual basis to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance.
- 8.12 The Council's Treasury Management Panel (Members and senior officer group) are briefed regularly on treasury activity and are kept abreast of any developments that may affect the risk influencing the Council's portfolio.
- 8.13 The knowledge and skills of officers and members are commensurate with the Council's risk appetite.

DOCUMENT	
1.1	<u>Budget Papers:</u>
	2021/22 Capital Investment Programme Report – GF
	2021/22 Capital Investment Programme Report – HRA
	Medium Term Financial Strategy (MTFS)
	Reserves Strategy
	Treasury Management Strategy
1.2	<u>Asset Management Strategies:</u>
	Asset Management Strategy
	Highways Asset Management Strategy
	Housing Strategy
	Planned Maintenance
1.3	<u>Other Financial Documents:</u>
	2020/21 Capital Monitoring
	2019/20 Statement of Accounts

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**TREASURY MANAGEMENT STRATEGY AND POLICY STATEMENT
2021/22**

INDEX

	Paragraph
1. EXECUTIVE SUMMARY	1.1 - 1.5
2. CAPITAL EXPENDITURE PLANS	2.1 - 2.8
3. BORROWING STRATEGY	3.1 - 3.14
4. ANNUAL INVESTMENT STRATEGY	4.1 - 4.24
5. APPENDICES	
A Treasury Management Policy Statement 2021/22	
B MRP Policy Statement 2021/22	
C Prudential and Treasury Indicators 2021/22	
D Definition of Terms	

1 EXECUTIVE SUMMARY

BACKGROUND

- 1.1 This document has been prepared in accordance with the Local Government Act 2003, which stipulates that local authorities must 'have regard to' the following guidance:
- The **Prudential Code** (CIPFA);
 - The **Treasury Management Code** (CIPFA);
 - **Statutory Guidance on Minimum Revenue Provision** (MHCLG), and
 - **Statutory Guidance on Local Authority Investments** (MHCLG).
- 1.2 In line with the recommendations of these codes, the Treasury Management Strategy sets out the following each year for approval by Full Council:

The Treasury Management Policy Statement The Council's overall policies, practices and objectives in relation to treasury management
The Council's Capital Expenditure Plans The Council's indicative capital programme over the next few years
The MRP Policy Statement How residual capital expenditure will be charged to revenue over time
The Council's Borrowing Strategy How its ongoing borrowing requirement will be managed, with regard to interest rate and refinancing risk
The Annual Investment Strategy How any surplus cash will be managed, with regard to the principles of Security, Liquidity and Yield
The Council's Prudential and Treasury Indicators The limits and indicators designed to help monitor and control treasury management risk

OBJECTIVES

- 1.3 The objectives of the Treasury Management Strategy are to:
- Ensure the Council's capital expenditure plans are prudent, affordable and sustainable over the longer-term;
 - Ensure that sufficient cash is available when needed to meet the Council's spending commitments;
 - Manage the Council's exposure to interest rate and refinancing risk whilst maximising value for money, and
 - Manage the investment of temporary surplus cash in a way that preserves the capital invested.

THE COUNCIL'S BORROWING STRATEGY

- 1.4 Within the context of increasing economic uncertainty and interest rate volatility, the proposed strategy is to:
- **Maintain an appropriate proportion of fixed rate borrowing** in order to limit the Council's exposure to interest rate risk (proposed targets in section 3);
 - **Maintain a balanced maturity profile on long and short-term borrowing** in order to limit the Council's exposure to refinancing risk (proposed limits in Appendix C), and
 - **Maintain an appropriate level of internal borrowing** in order to reduce the Council's financing costs.

THE ANNUAL INVESTMENT STRATEGY

- 1.5 In order to safely manage the Council's temporary surplus cash, the proposed strategy is to:
- **Invest in only secure products and counterparties** in order to minimise the risk of loss (proposed limits in section 4);
 - **Maintain an appropriate balance of liquid funds** to ensure that sufficient cash is available when needed, and
 - **Within this context, seek to optimise performance** in terms of yield.

2 CAPITAL EXPENDITURE PLANS

- 2.1 The Council's capital expenditure plans are a key driver of its treasury management activities. This section covers a range of prudential indicators designed both to inform members of future activity and to assess whether those plans are prudent, affordable and sustainable over the longer term and reflect the framework as set out in CIPFA's Prudential Code. The full suite of indicators can be found in Appendix C.

Estimates of Capital Expenditure

- 2.2 This indicator summarises the capital expenditure plans set out in the Council's Capital Investment Strategy (see Section 2d within this budget pack). These plans are funded from a variety of sources including £92M from borrowing or finance lease (see Appendix C for further details):

Table 1 - Estimates of Capital Expenditure

	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)	2023/24 (£M)	Total (£M)
Indicative Capital Programme	171.966	120.359	122.650	2.761	417.736
Funded from Borrowing / Finance Lease	67.000	25.372	-	-	92.372
Funded from Other Resources	104.966	94.987	122.650	2.761	325.364

* Includes new 2021 – 2024 investment subject to approval

Estimates of Capital Financing Requirement (CFR)

- 2.3 This indicator sets out the Council's CFR, which reflects the capital expenditure (both historic and planned) being funded from borrowing or other long-term liabilities. This includes the £92M identified in paragraph 2.2:

Table 2 - Estimates of Capital Financing Requirement

	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)	2023/24 (£M)
Borrowing (Existing)	782.455	777.715	772.692	767.381
Other Long-Term Liabilities (Existing)	234.048	231.531	228.811	225.909
Planned Capital Investment (Cumulative)	67.000	92.372	92.372	92.372
Total	1,083.503	1,101.618	1,093.875	1,085.662

- 2.4 New expenditure aside, the CFR will reduce over time via a statutory annual charge to the revenue account, known as the Minimum Revenue Provision (MRP). The Council's MRP policy is included in Appendix B.

Gross Borrowing and the Capital Financing Requirement

- 2.5 This indicator compares the Council's expected borrowing position to its underlying borrowing need (**referred to as the Borrowing CFR**), to identify the extent to which the Council is under or over-borrowed. This excludes other long-term liabilities since each arrangement contains its own borrowing facility, therefore the Council is not required to borrow separately.

- 2.6 As outlined below, the Council is expected to be significantly under-borrowed at the end of 2020/21. This position is supported by the Council's usable reserves, which largely represent the resources set aside for investment in future years. By utilising the cash supporting these resources temporarily, the Council has the option to defer long term borrowing until the related spending commitments occur (**also referred to as internal borrowing**).
- 2.7 Whilst this is a cost-effective position which can help to reduce investment counterparty risk, it is one that needs to be actively monitored and managed considering the Council's planned capital investment, particularly in the current economic climate (see section 3 for further details).

Table 3 - Gross Borrowing and the Capital Financing Requirement

	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)	2023/24 (£M)
Borrowing CFR	843.636	864.268	859.245	853.934
Gross Borrowing	(643.936)	(626.544)	(593.807)	(575.373)
Under-Borrowed Position	199.700	237.724	265.438	278.561
Support from Usable Reserves	(90.592)	(53.852)	(49.714)	(47.791)
External Borrowing Requirement	109.108	183.872	215.724	230.770

- 2.8 As illustrated by the chart below, the external borrowing requirement (represented by the blue arrows) is the cumulative amount required over the period:

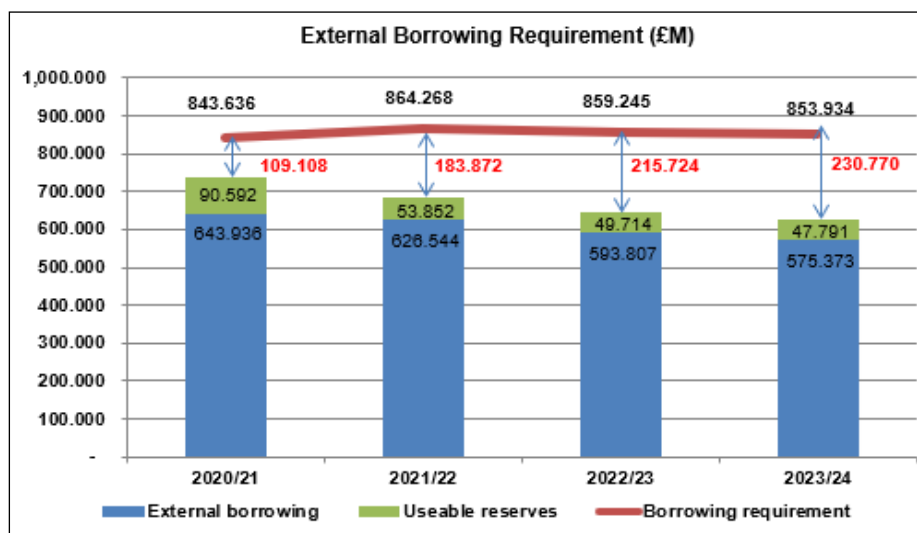


Table 4 - External Borrowing Requirement (2020/21 - 2023/24)

	£M
Planned capital investment (funded from borrowing)	86.553
Maturing loans / reduced support from usable reserves	163.374
Amounts set aside to repay debt	(19.157)
Total	230.770

3 BORROWING STRATEGY

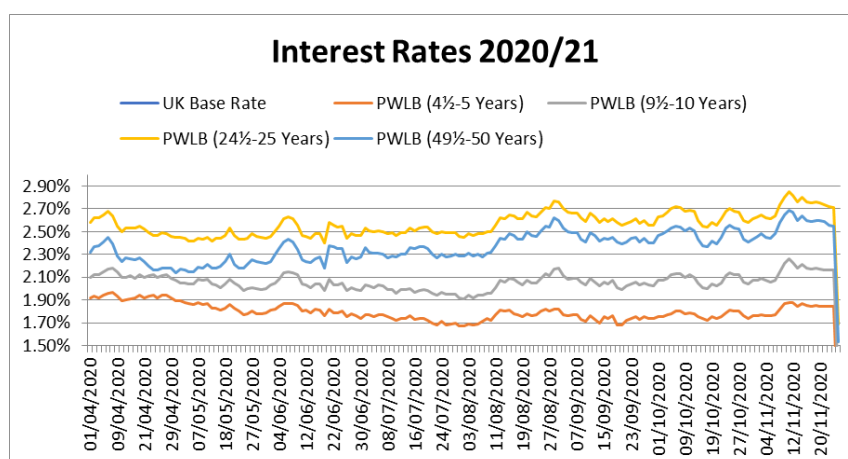
3.1 The Council's general policy objective is to ensure its level of debt is prudent, affordable and sustainable over the longer term (i.e. **keeping financing costs to a minimum** whilst **addressing the key associated risks**):

- Interest Rate Risk
- Refinancing Risk

Interest Rate Risk

3.2 This is the risk of an adverse movement in interest rates which leads to a rise in borrowing costs or lost opportunity costs. The Council measures this risk against its temporary and variable rate borrowing and any requirement which has yet to be financed (i.e. its under-borrowed position).

3.3 From time to time interest rates can be subject to exceptional levels of volatility due to political and economic uncertainty, for example fears that the UK would leave the European Union without a deal and the damage caused by the Coronavirus (Covid-19). Despite this volatility, PWLB borrowing rates up to 25th November remained broadly in line with those at the start of this financial year:



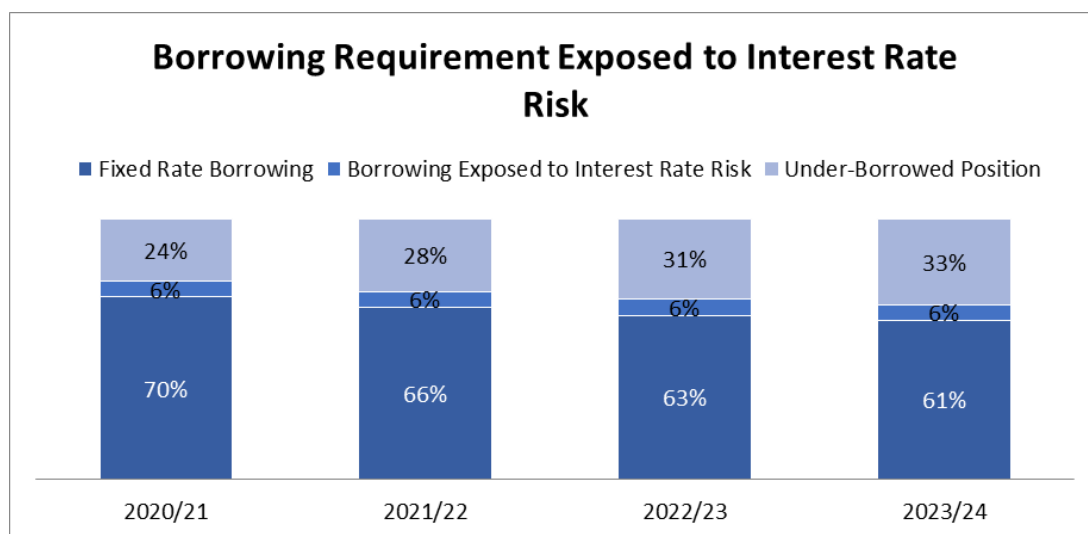
3.4 On the 25th November, the government announced a 1% reduction in PWLB rates following a review of its lending terms. This will be available to all authorities providing they have no plans to buy investment assets primarily for yield (which does not apply to Barnsley). As a result of this announcement, the expectation is that PWLB rates will remain below 2% for the foreseeable future, due to a prolonged period of economic recovery following the Covid-19 pandemic (see table below):

Table 5 - Latest Interest Rate Projections*

	Latest	Mar-21	Sep-21	Mar-22	Mar-23	Mar-24
UK Base Rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
PWLB Certainty (50 Years)	1.53%	1.30%	1.40%	1.40%	1.50%	1.60%

*Provided by Link Asset Services on 26th November

- 3.5 As shown below, it is anticipated that 30% of the Council's borrowing requirement will be exposed to interest rate risk at the end of 2020/21. This could rise to 39% by the end of 2023/24, should no further fixed rate borrowing be undertaken:



- 3.6 Given the current outlook for interest rates (i.e. that PWLB rates will remain below 2% for the foreseeable future) the proposed strategy is relax next year's fixed rate borrowing target to 65%. This will allow the Council to defer any fixed rate borrowing until 2022/23 and therefore keep its interest costs low over the next 12-month period. This approach is considered a managed risk in the current interest rate environment.
- 3.7 However, in the interest of long-term budget certainty, the plan is to increase the proportion of fixed rate borrowing to 70% in 2022/23 and 75% in 2023/24. This plan will be kept under review and may change should the interest rate environment remain as it is currently.
- 3.8 In order to achieve the above targets, it is anticipated that the Council will need around £120M of fixed rate borrowing over the period. The remainder could be funded through temporary borrowing or internal cash resources (see chart below):

Table 6 – External Borrowing Requirement

	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)	2023/24 (£M)
Fixed Rate Borrowing	-	-	68.436	120.078
Temporary Borrowing	109.108	183.872	147.288	110.692
Total Requirement (Cumulative)	109.108	183.872	215.724	230.770

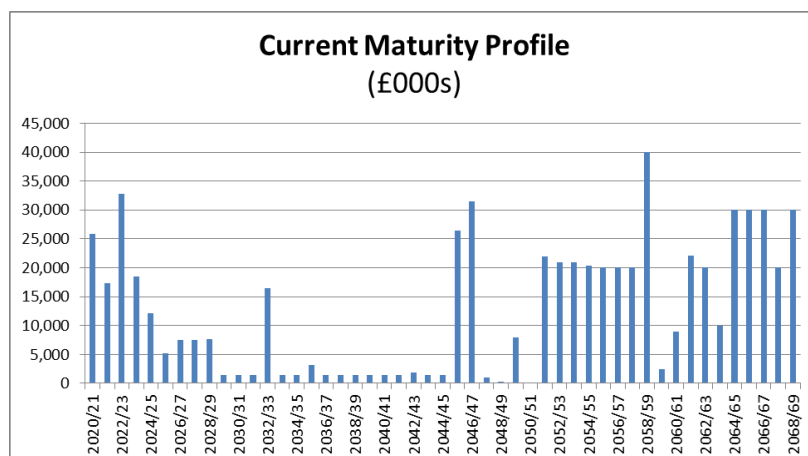
3.9 Officers will address the Council's fixed rate borrowing requirement through a combination of the following:

- **Deferred loans** - the Council may be able to access long-term, fixed rate funding from financial institutions such as banks, insurance companies and pension funds on a deferred drawdown basis. Whilst they may no longer be cheaper than the PWLB, deferred loans help to protect the Council from interest rate risk without the additional cost of carry and credit risk. As such this is one of the preferred options for the Council at present. The Council has secured £40M to date and is continuing to work with its advisors in order to identify any further potential lenders.
- **The Municipal Bonds Agency (MBA)** - the MBA was established in 2014 with the intention of providing an alternative source of funding to the PWLB. The MBA has recently made two bond issues for Lancashire CC and are aiming to launch a pooled bond issue in the coming months. Barnsley has been a leading authority in promoting the MBA and has already committed to the next bond issue subject to 'due diligence' tests.
- **PWLB borrowing** - following the recent government announcement, the Council has access to long-term PWLB funding at rates below 2%. In addition, the Council has recently secured access to the discounted Local Infrastructure Rate (providing up to £25M at a further discount of 0.2%). Such borrowing would be carried out in small tranches to minimise the cost of carry and mitigate credit risk. It would also be considered in light of the alternative options available (e.g. deferred loans).
- **Local authority loans** - the Council may be able to borrow from other local authorities for periods of up to 5 years, which would provide additional budget certainty over the medium-term whilst providing a saving against current long-term PWLB rates. This would be carried out in small tranches to minimise the cost of carry and mitigate credit risk.
- **Other market loans** - as with deferred loans the Council may be able to access long-term, fixed rate funding from financial institutions on a spot basis (i.e. immediate drawdown). However, this is now likely to be more expensive than the PWLB, therefore is not one of the preferred options at present.

Refinancing Risk

3.10 This is risk of refinancing debt on unfavourable terms, due to either a lack of availability of replacement financing or an increase in interest rates. The Council measures this risk against the maturity profile on long and short-term borrowing.

3.11 To protect the Council from refinancing risk, officers will operate within the maturity limits set out in Appendix C, which typically* allow for up to £70M of maturing loans (on average) in any given year - £50M General Fund and £20M HRA. As shown overleaf the Council has a balanced maturity profile which is currently well within this limit:



** With an additional allowance for temporary borrowing*

- 3.12 Included in the chart overleaf are the Council's LOBO loans, which are subject to rate reviews every 6 months. Should the lender choose to increase the rate on these loans, the Council has the option to repay without penalty, however this would mean having to borrow an additional £55M to replace the principal repaid.
- 3.13 Whilst this option is unlikely to be triggered in the current situation, the borrowing requirement could be addressed through short term loans from other local authorities (along with the temporary borrowing requirement identified in table 6).
- 3.14 The recommendation is to borrow in small tranches to spread refinancing risk and to allow officers to invest the cash safely whilst required to meet the Council's spending commitments.

4 ANNUAL INVESTMENT STRATEGY

CONTEXT

- 4.1 The Council's general policy objective is to invest its surplus funds prudently, which involves managing a variety of risks as outlined later in this section. The Authority's investment priorities (in order) are as follows:
- the **security of capital**;
 - the **liquidity of investments**, and
 - **optimum yield commensurate with the above**
- 4.2 The borrowing of monies purely to invest or on-lend and make a return is considered unlawful. As such the Council will not engage in such activity and as per table 3 (paragraph 2.7) will keep external borrowing beneath the CFR.

STRATEGY

- 4.3 As outlined in the previous section, the Council is proposing to undertake around £120M of fixed rate borrowing over the next three years, which may result in a temporary increase in cash balances. Within this context, the Council's investment strategy will be to: -
- **Invest any temporary surplus cash in secure products and counterparties** in order to minimise the risk of loss;
 - **Maintain an appropriate balance of liquid funds** to ensure that sufficient cash is available when needed, and
 - **Within this context, seek to optimise performance** in terms of yield.

Credit and Counterparty Risk (Security)

- 4.4 This is the risk of a third party being unable to meet its contractual obligations to the Council, which put simply is the risk of default on any principal or interest payable. This would clearly have a detrimental impact on the Council's resources.
- 4.5 In order to mitigate this risk, the Council maintains a list of approved counterparties and investment limits based on the creditworthiness service provided by Link Asset Services (further details are available on request). This approach combines the credit ratings assigned by the three main rating agencies (Fitch, Moody's and Standard and Poor's) with a range of market factors to provide a suggested duration for investments, including:
- Credit 'watches' and 'outlooks' from the main rating agencies;
 - Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings, and
 - Sovereign ratings to select counterparties from only the most creditworthy countries.

4.6 Members are asked to approve the investment counterparties and limits below:

Institution	Minimum Long-Term Rating (Fitch or Equivalent)	Maximum Amount	Maximum Duration
UK Government	AA-	Unlimited	5 Years
Barclays Bank PLC (The Council's own bank)	A	£20M	Overnight
Banks	A+	£20M (£20M per group)	1 Year
	A	£10M (£20M per group)	6 Months
	A-	£10M (£20M per group)	100 Days
Building Societies	A	£10M	6 Months
	A-	£10M	100 Days
Local Authorities	AA-*	£20M	2 Years
Money Market Funds (including VNAV)	AAA	£20M per fund	Overnight**

* Not all Local Authorities are separately rated, but they are deemed to be in line with the UK Government reflecting the likelihood of intervention in the event of severe financial difficulty.

** Money Market Funds may be invested for longer periods than overnight, however funds can be withdrawn daily if required.

4.7 The limits set out above reflect the following changes:

- **Banks, rated A or A- (£15M per group - £20M per group)** - this increase is proposed to ensure consistency across group limits and will not place undue risk on the Council's investment portfolio.
- **Building Societies, rated A- (£5M - £10M)** - this increase is proposed to ensure consistency with the limits placed on Banks of similar credit quality.

NOTE - There is a possibility that some Money Market Funds will convert to Variable Net Asset Value (VNAV) status should the UK economy face any further shocks. VNAV funds are managed in a very similar way to the Council's existing funds, with the primary objectives of security and liquidity. The funds invest in high-quality assets as recognised by their AAA rating. As highlighted below the main differences are the liquidity requirements and the pricing / valuation of assets, which do not present a significant risk to the capital invested. It is therefore recommended that VNAV funds are included in the approved instruments list.

	Government (public debt) CNAV	LVNAV	VNAV
WAM ¹ (max)	60 days	60 days	60 days
WAL ² (max)	120 days	120 days	120 days
Maturity (max)	397 days	397 days	397 days
Daily liquid assets (min)	10%	10%	7.5%
Weekly liquid assets (min)	30%	30%	15%
Dealing NAV	Two decimals (provided NAV deviates <50 bps)	Two decimals (provided NAV deviates <20 bps)	Four decimals
Valuation	Amortised cost	Amortised cost for instruments ≤75 days; mark-to-market for instruments >75 days	Mark-to-market

- 4.8 In addition to the use of credit ratings, the Council will be advised of information in movements in CDS and other market data on a weekly basis, which will be used to inform the amount and duration of new investments. If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria (e.g. a credit rating below A-), it will be withdrawn from the approved list immediately and any outstanding investments not re-invested at maturity.
- 4.9 Members are also asked to approve the limits below which consider the Council's total exposure to loans, non-specified investments and foreign countries. These limits are designed to protect the Council from undue credit / counterparty risk and are additional to those set out in paragraph 4.6:

Type	Maximum Amount	Comments
Total loans or investments with unrated entities / entities rated below A-	£20M	This limits the overall amount that can be invested with entities without credit ratings or those with credit ratings below A- and covers any loans awarded to / shares held in local businesses.
Total long-term investments	£20M	This limits the overall amount that can be invested for longer than 12 months and covers any investments with the UK Government or other local authorities.
Total non-specified investments	£40M	The total of the two limits above.
Total investments with institutions domiciled in foreign countries	£50M	This limits the overall amount that can be invested with institutions from outside the UK and is subject to a minimum sovereign credit rating of AA- (equivalent to the UK).

4.10 The limits set out above reflect the following changes:

- **Total loans or investments with unrated entities / entities rated below A- (£30M - £20M)** - this reduction is proposed to more accurately reflect the value of the Council's non-treasury investments.
- **Total non-specified investments (£50M - £40M)** - reflecting the above.

4.11 The process for approving such investments is detailed in Treasury Management Practice Document 5: Organisation, Clarity and segregation of Responsibilities and Dealing Arrangements, which requires prior authorisation from the Head of Financial Services and Deputy S151 Officer.

Price Risk (Security)

4.12 This is the risk of a reduction in value of funds invested, due to an adverse change in market conditions. In order to mitigate this risk, the Council will continue to monitor the performance of its Money Market Funds very closely in the immediate future.

- 4.13 Linked to this is the introduction of IFRS9 - Financial Instruments, a new accounting standard for 2018/19 which changed the way that certain investments were categorised and valued, including the recognition of any potential losses on investment through its General Fund revenue account.
- 4.14 Due to the low-risk strategy that the Council has adopted, the risk of credit loss in relation to its treasury investments is deemed immaterial, however to date changes have meant a reduction in fair value of equity investments of £0.3M (no impact on the general fund) and a loss allowance in relation to historic third-party loans of £1.4M (in the context of the Covid crisis). Officers will continue to review this on a regular basis and ensure that sufficient consideration is given to credit risk for any new loans agreed going forwards.

Legal and Regulatory Risk (Security)

- 4.15 This is the risk that the Council or an organisation which it is undertaking treasury management activities with, fails to act in accordance with its legal powers or regulatory requirements, causing reputational damage and / or resulting in financial loss.
- 4.16 In order to mitigate this risk, the Council adopts the recommendations of the statutory guidance and receives professional advice from its Treasury Management advisers (Link Asset Services). Officers attend and / or receive regular training updates to keep up with the latest developments and regulatory changes.

Liquidity Risk

- 4.17 This is the risk that cash is not available when needed to meet the Council's spending commitments, causing reputational damage, compromise service objectives and / or leading to additional unbudgeted costs.
- 4.18 In line with the MHCLG investment advice on the liquidity of investments, the Council will aim to maintain an appropriate balance of liquid funds (i.e. the Barclays Flexible Interest-Bearing Current Account and Money Market Funds).
- 4.19 In a period of prolonged low interest rates, accepted practice would be to lengthen the investment period to lock into higher rates. However, the uncertainty and volatility in the financial markets has heightened credit risk. As a consequence, the Council will keep the investment maturity relatively short, which is reflected in the maturity periods specified in paragraph 4.6. Longer term investment yields also do not represent good value for money against the risks taken.

Yield

- 4.20 The pursuit of optimum returns is a secondary priority to security and liquidity. This is particularly important in a period of significant political and economic uncertainty. Investment yields are expected to remain low for the foreseeable future in line with the UK base rate (which was cut from 0.75% to 0.10% in March 2020 in response to the Covid-19 pandemic). In addition, there is a risk of negative interest rates being implemented should the UK economy face any further shocks. As such the Council will seek to minimise its investment balances through deferral of long-term borrowing.

Diversification

- 4.21 Although the Council currently has a good spread of investment instruments, officers will continue to evaluate alternative investment options that meet the principles of security, liquidity and yield. Consideration will be given to alternative investment instruments and whether they are suitable for the investment portfolio. Proposals for new investment instruments will be taken to the Treasury Management Panel for discussion and advice will be sought from Link prior to making any investment decisions.
- 4.22 In addition to the core investment principles of security, liquidity and yield the Council will also seek to diversify investments to avoid concentration in specific banks, types of instrument, sovereign state etc. Consideration will also be given to the overall concentration of investments within each sector.
- 4.23 In order to diversify a portfolio largely invested in cash, investments will be placed with approved counterparties over a range of maturity periods. Maximum investment levels are set to ensure prudent diversification is achieved and these, together with minimum ratings and cash limits, are shown in table 6.

Berneslai Homes

- 4.24 The funds of Berneslai Homes continue to be ring fenced in a segregated Barclays account, with clear separation from Council funds. Officers of the Council are responsible for the management of Berneslai Homes' cash balances and the account is run in accordance with Treasury Management best practice and the effective management of risk.

TREASURY MANAGEMENT POLICY STATEMENT 2021/22**1 Introduction & Background**

- 1.1 The Treasury Management Code of Practice requires local authorities to produce a Treasury Management Policy and Strategy Statement on an annual basis.
- 1.2 The Council adopted the original CIPFA Code of Practice on 13th February 2002, and this resolution is carried through to the revised codes. Therefore, the Treasury Policy Statement for 2021/22 has been prepared in compliance with the latest Code.
- 1.3 Accordingly, the Council will create and maintain the following key documents in accordance with the revised Code of Practice and other relevant guidance:
 - The Treasury Management Policy Statement, outlining the key objectives of its Treasury Management activities;
 - The Treasury Management Strategy Statement including the Annual Investment Strategy setting out the specific expected Treasury Management activities for the forthcoming financial year;
 - Treasury Management Practices (TMPs) setting out the manner in which the Council will seek to achieve its objectives, and prescribing how it will manage and control those activities;
 - Prudential and Treasury Indicators as prescribed within the Prudential and Treasury Management Codes, and
 - The Capital Investment Strategy which sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring.
- 1.4 The Council will receive reports on its Treasury Management activities, including as a minimum, an annual strategy for the forthcoming year, an annual report after year end and interim quarterly reports (rather than the minimum six-monthly report required by the Code).
- 1.5 The Council delegates responsibility for the implementation and monitoring of its Treasury Management policies and practices and for the execution and administration of Treasury Management decisions to the Section 151 Officer, who will act in accordance with the Council's Policy Statement and the CIPFA Treasury Management Code.
- 1.6 The Council nominates the Treasury Management Panel and the Audit Committee as being responsible for ensuring the effective scrutiny of the Treasury Management Strategy and Policies.
- 1.7 The Treasury Management Panel will meet on a quarterly basis (or as required) to monitor and review the Council's implementation of the Treasury Management Strategy and Policy. The Audit Committee will receive reports through which it will gain assurance regarding the effective implementation of the Strategy and Policy.

2. Policies and Objectives of Treasury Management Activities

2.1 The Council defines its Treasury Management activities as:

“the management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2.2 Approved activities of the Treasury Management operation cover:

- Borrowing;
- Lending;
- Debt repayment and rescheduling;
- Consideration, approval and use of new financial instruments and treasury management techniques;
- Managing cash flow;
- Banking activities;
- Leasing, and
- Managing the risk associated with the Council’s Treasury Management activities.

2.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will include their risk implications for the organisation.

2.4 This Council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in Treasury Management, and to employing suitable performance measurement techniques, within the context of effective risk management.

2.5 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The Section 151 Officer has delegated powers to select the most appropriate form of capital financing (including leasing arrangements) from the approved sources. Both the source and type of borrowing should allow the Council transparency and control over its debt.

2.6 The Council will not borrow more than (or in advance of) its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved Capital Financing Requirement estimates for the prescribed planning period. Moreover, future borrowing transactions will be considered carefully before they are undertaken to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance of need will only be undertaken when there is a clear business case for doing so.

- 2.7 The Council's primary objective in relation to investment remains the security of capital. The liquidity of the Council's investments and the yield earned remain important but secondary considerations.
- 2.8 The Annual Investment Strategy details the categories of investment the Council will invest in, maturity periods and criteria for selecting investment counterparties. Any revisions to these criteria will require Council approval.

3. Treasury Management Scheme of Delegation

Full Council

- Receiving and reviewing reports on treasury management policies, practices and activities, and
- Approval of the annual strategy.

Cabinet

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget consideration and approval;
- Approval of the division of responsibilities, and
- Receiving and reviewing regular summary reports and acting on recommendations.

Treasury Management Panel / Audit Committee

- Approving the selection of external service providers and agreeing terms of appointment, and
- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The S151 (responsible) officer

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Implementing the treasury management strategy and policies in compliance with member approvals, and
- Recommending the appointment of external service providers.

4. Policies on the use of Derivatives

- 4.1 The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of financial derivatives. The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the TMSS. The Council will only use derivatives where they can be clearly demonstrated to reduce the overall level of financial risk
- 4.2 Derivatives may be arranged with any organisation that meets the Council's approved investment criteria.
- 4.3 The Council will only use derivatives after seeking a legal opinion and ensuring that officers have the appropriate training to effectively manage their use.

2021/22 MINIMUM REVENUE PROVISION (MRP) STATEMENT

The Authority is required to make a prudent provision for debt repayment known as the Minimum Revenue Provision (MRP). Guidance on MRP has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under Section 21(1A) of the Local Government Act 2003. The four MRP options available are:

- Option 1: Regulatory Method;
- Option 2: CFR Method;
- Option 3: Asset Life Method, and
- Option 4: Depreciation Method.

NB This does not preclude other prudent methods

MRP in 2021/22: Options 1 and 2 may only be used for General Fund supported expenditure. Methods of making prudent provision for General Fund self-financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Authority chooses).

The MRP Statement is required to be submitted to the Authority before the start of the financial year for approval. Any revision of which must also be submitted to the Authority for approval. The Authority is recommended to approve the following statement:

- **For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with Option 3;**
- **For supported capital expenditure incurred after 1st April 2008, MRP will be determined in accordance with Option 3;**
- **For non-supported (prudentially borrowed) capital expenditure incurred after 1st April 2008, MRP will be determined in accordance with Option 3;**
- **Within Option 3, MRP is permitted to be calculated in one of two ways - equal instalments or on an annuity basis. The Authority has chosen to calculate MRP on an annuity basis, and**
- **MRP will normally commence in the financial year following the one in which expenditure is incurred. However, MRP Guidance permits local authorities to defer MRP until the financial year following the one in which the asset becomes operational. The Authority has chosen to employ this option for significant qualifying projects.**

MRP in respect of on balance sheet leases will match the annual principal repayment for the associated deferred liability, which will produce an MRP charge comparable to that under Option 3, in that it will run over the life of the lease term.

Changes introduced by the revised (MHCLG) guidance on MRP mean that any charges made over the statutory minimum revenue provision (MRP) can, if needed, be reclaimed in later years if deemed necessary or prudent. In order to do so this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2020 the total VRP overpayments were £2.0M.

PRUDENTIAL AND TREASURY INDICATORS 2020/21 – 2023/24**Estimates of Capital Expenditure (General Fund and HRA)**

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital Expenditure	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)	2023/24 (£M)
General Fund	134.086	84.769	118.745	0.672
HRA	32.061	35.590	3.905	2.090
Other Long-Term Liabilities	5.819	-	-	-
Total	171.966	120.359	122.650	2.762

Estimates of Capital Financing Requirement (General Fund and HRA)

This indicator sets out the Council's CFR, which reflects the capital expenditure (both historic and planned) being funded from borrowing or other long-term liabilities (e.g. PFI schemes, finance leases). The Council is asked to approve the CFR projections below:

CFR	2020/21 (£M)	2021/22 (£M)	2022/23 (£M)	2023/24 (£M)
General Fund Borrowing	571.902	592.534	587.511	582.200
HRA Borrowing	271.734	271.734	271.734	271.734
Other Long-Term Liabilities	239.867	237.350	234.630	231.728
Total	1,083.503	1,101.618	1,093.875	1,085.662

The Operational Boundary (Overall)

This is the limit beyond which external debt is not normally expected to exceed, based on the Council's CFR (see above). The Council is asked to approve the limits set out below:

Operational Boundary (£M)	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund Debt	571.902	592.534	587.511	582.200
HRA Debt	271.734	271.734	271.734	271.734
Other Long-Term Liabilities	239.867	237.350	234.630	231.728
Total	1,083.503	1,101.618	1,093.875	1,085.662

The Authorised Limit for External Debt (Overall)

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit has been set at £30M above the Operational Boundary (£20M General Fund and £10M HRA).

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the following authorised limit:

Authorised Limit (£M)	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund Debt	591.902	612.534	607.511	602.200
HRA Debt	281.734	281.734	281.734	281.734
Other Long-Term Liabilities	239.867	237.350	234.630	231.728
Total	1,113.503	1,131.618	1,123.875	1,115.662

In April 2022 the Council will be required to implement IFRS 16 which replaces the current accounting standard applied for leases. This standard removes the distinction between finance and operating leases which means that many of the Council's existing leases will now be brought onto the balance sheet, increasing the Council's CFR. The full impact of this change is not yet known however the Council will need to amend its operational boundary and authorised limit as part of next year's strategy.

Interest Rate Exposure and Maturity Structure of Borrowing (General Fund and HRA)

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. Like the indicator above this identifies a maximum limit on fixed interest rates, and
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

The Council is asked to approve the limits set out overleaf:

Overall

Interest Rate Exposures	2020/21	2021/22	2022/23	2023/24
Limit on Variable Rate Borrowing / Unfinanced CFR	30%	35%	30%	25%
Fixed Rate Borrowing Target	70%	65%	70%	75%

General Fund

Loan Maturity Structure (All Years)		
	Lower	Upper
Under 12 months	0%	50%
12 months to 2 years	0%	25%
2 years to 5 years	0%	25%
5 years to 10 years	0%	40%
10 years to 20 years	0%	75%
20 years to 30 years	0%	75%
30 years to 40 years	0%	75%
40 years to 50 years	0%	75%

Housing Revenue Account

Loan Maturity Structure (All Years)		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	25%
2 years to 5 years	0%	25%
5 years to 10 years	0%	40%
10 years to 20 years	0%	75%
20 years to 30 years	0%	75%
30 years to 40 years	0%	75%
40 years to 50 years	0%	75%

Maximum Principal Sums Invested for more than 365 Days (General Fund)

These limits are set in relation to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end. The Council is asked to approve the treasury indicator and limit: -

(£M)	2020/21	2021/22	2022/23	2023/24
Principal Sums Invested > 365 Days	20.000	20.000	20.000	20.000

Ratio of Financing Costs to Net Revenue Streams (General Fund and HRA)

This indicator identifies the estimated trend in the cost of capital (borrowing and other long-term liabilities net of investment income) against the Council's net revenue streams.

Ratio of Financing Costs to Net Revenue Streams (%)	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
GF	25.2	22.8	21.9	21.5
HRA	45.0	43.4	43.8	43.7

Gross Debt and the Capital Financing Requirement (Overall)

This indicator identifies the anticipated headroom against the Council's CFR after taking account of any planned borrowing.

Gross Debt & CFR (£M)	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
CFR	1,083.503	1,101.618	1,093.875	1,085.662
Outstanding Borrowing	643.936	626.544	593.807	575.373
Planned Borrowing	109.108	183.872	215.724	230.770
Other Long-Term Liabilities	201.164	194.049	186.934	186.934
Gross Debt	954.208	1,004.465	996.465	993.077
Headroom	129.295	97.153	97.410	92.585

DEFINITION OF TERMS

Treasury Management refers to the management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

CIPFA is the Chartered Institute of Public Finance and Accountancy - the leading accountancy body for the public services providing education and training in accountancy and financial management.

MHCLG is the Ministry of Housing, Communities and Local Government (formerly the Department for Communities and Local Government) - a ministerial department responsible for UK Government policy on housing and public services.

MRP refers to the Minimum Revenue Provision - a statutory annual charge to the revenue account for the repayment of debt (as measured by the Capital Financing Requirement).

Capital Financing Requirement (CFR) represents the authority's underlying indebtedness for capital purposes, based on historic capital expenditure which hasn't yet been financed (e.g. from grants, capital receipts or revenue contributions).

Debt refers to the sum of borrowing and other long-term liabilities.

Other Long-Term Liabilities mean the liabilities outstanding under credit arrangements (e.g. PFI contracts or finance leases).

Internal Borrowing / Under-Borrowed refers to the temporary use of cash resources (e.g. reserves earmarked for future capital expenditure or grants received in advance of expenditure) to avoid borrowing immediately, which seeks to reduce investment counterparty risk and create a short-term budget saving. The Council will replace these cash resources with external borrowing as these spending commitments occur.

Transferred Debt refers to the debt transferred on reorganisation of the former South Yorkshire Country Council.

Specified Investments are short-term investments (i.e. less than 12 months) denominated in pounds sterling with a high credit quality.

Non-Specified Investments refers to any financial investments (excluding loans) that do not meet the criteria to be treated as a specified investment.

Investments in Foreign Countries refer to investments placed with counterparties from countries outside the UK (subject to a minimum sovereign rating of AA-).

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BARNSELEY METROPOLITAN BOROUGH COUNCIL

FEES AND CHARGES 2021/22

1. **Purpose of the report**

- 1.1 The purpose of this report is to update the Council's Fees and Charges Policy as well as outline the Council's proposed 2021/22 fees and charges which are an integral part of the 2021/22 Budget Process.

2. **Recommendation**

It is recommended that Cabinet:

- 2.1 **Approve the updated Fees and Charges Policy attached as Appendix 1.**
- 2.2 **Approve the new and existing fees and charges set out in Appendix 2 for implementation from 1st April 2021 or later in 2021/22 as applicable.**
- 2.3 **Note that additional reports will be submitted during the year, in the event that any further amendments to fees & charges are required;**
- 2.4 **Note the objectives and progress of the Council's Commercial Strategy.**

3. **Introduction & Background**

Work Undertaken on Fees & Charges

- 3.1 The Council has reshaped and transformed itself into an effective, efficient, high performing and sustainable Council. This position was supported by the Corporate Peer Review in February 2019 and provides the foundations to ensure we can achieve our agreed priorities and outcomes as we continue our journey to 2030 and beyond.
- 3.2 Our current Council structure means that the delivery of our key services is based on a Business Unit model supported by a strong and lean core. The financial outlook underpinning the Council's strategic framework has been developed around a reducing resource envelope and therefore, setting appropriate fees and charges is an important consideration for Business Units to support the councils overall financial resilience.
- 3.3 All fees and charges for 2021/22 have been proposed in light of the Council's Fees and Charges Policy, which is included at Appendix 1. This provides a corporate framework within which all decisions on implementation and / or changes to the levels of fees and charges are considered and approved.

- 3.4 It should be noted that there may be further changes to fees and charges to be finalised as part of a wider consideration of Business Unit business plans. These will be submitted to Cabinet in due course when all relevant issues have been worked through.

Fees & Charges Policy

- 3.5 A significant element of the Council's activity is underpinned by income generated through a variety of fees and charges made in relation to such activities.
- 3.6 Whilst being an important element of the overall financing of the Council's services and activities, fees and charges can also have an important role in other areas such as:
- Demonstrating the value of a service;
 - Discouraging abuse of a service;
 - Strengthening service and corporate objectives; and
 - Promoting and encouraging access to services.
- 3.7 Therefore, as well as ensuring that fees and charges are in line with Council objectives, it is also sound practice to ensure that the impact on service users of any change in fees and charges is appropriately evidenced. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the Council to account.

Commercial Strategy

- 3.8 The overriding principle is to ensure that the Council's fees and charges are set within the context of value for money where financial, performance and access and equality issues are fully considered, with decisions being taken in a transparent and balanced way.
- 3.9 To aid delivery of this, the Council has in place an overarching Commercial Strategy supported by an Income Generation policy focusing on the following themes:
- Developing a **Commercial Culture**.
 - Ensuring that we demonstrate **Value for Money** across all activities.
 - Effective **Procurement and Commissioning**.
 - Maximising the income generating potential of our **Commercial Activities**.
 - **Support consistency** across the Council in its approach to income generation and commercial opportunities, including marketing, setting prices and collecting fees and charges.

SECTION 3f

- Achieving **full cost recovery** or surpluses where it is appropriate to do so and to **develop a standard approach to charging**.

3.10 The Commercial Strategy is a key document in adapting the Council to an ever-changing marketplace and sets the framework for helping it to seek out the new opportunities on offer:

- Identifying and implementing opportunities for cross selling our services providing our customers with the ability to buy bundles of products;
- Working collaboratively with other local authorities and partners where significant commercial opportunities exist;
- Horizon scanning the marketplace to seek out and secure new commercial opportunities;
- The ability to set discretionary fees and charges in markets where flexibility is required;
- Implementing a commercial portal / one-stop shop for all council customers.

3.11 Through consideration and implementation of the Commercial Strategy it is envisaged that the overall principles set out at paragraphs 3.8 – 3.10 will be achieved.

3.12 With the above in mind, a full review of all existing fees and charges has been undertaken by respective business units. New opportunities have also been considered and reviewed. The outcome of these reviews is presented in sections 4 and 5 below, with full details of all proposed charges at Appendix 2 to this report

4. **Existing Fees and Charges**

4.1 All business units have undertaken a full review of the current fees and charges under their respective remits, in line the fees and charges policy, with the vast majority of any proposed changes to fee levels being reflective of current inflation, cost recovery or market testing.

4.2 For illustrative purposes the following changes are proposed based on reasons other than general inflationary increases:

Charge	Basis of changes proposed
Music service	No increase in 2020/21 so general fees increased by 2.9% with the exception of instrument hire which has increased by £2 from £10 to £12. All proposed increases are to ensure the full cost recovery.
Various charges at cultural venues	Alignment of charges between different sites and to provide flexibility to manage demand at different times/days and customer requirements. Car parking charges at Cannon

SECTION 3f

	Hall increased to reflect nearby garden centre / farm.
Commission on artists work sales	Increased to align with other gallery shops.
Gypsy site rents	Increased in line with housing rents (CPI + 1%)
Special bulky collection	Increase by £1 - from £20 to £21 to reflect full cost recovery.
Common permit scheme charges	Increases of up to 17.4% are proposed to recover costs. Calculation of these fees is prescribed by DfT. These fees are subject to a consultation process which if successful will be implemented on 1 st June 2021 (the anniversary of the implementation of the common permit scheme).
Materials recycling (green waste, rubble hardcore and subsoil)	Increased charges proposed to reflect full cost recovery / current market prices.
Engineering works (e.g. cesspit emptying, professional advice etc)	Increased to ensure full cost recovery.
Highways licensing, permits and services	Increased to ensure full cost recovery and deter abuse.
Pest control	Increased to ensure full cost recovery / market forces.
Golf course fees	Day rates to be increased to reflect increased maintenance costs of greens etc.
Bereavement fees	Proposed increases to ensure full cost recovery, inflation and current market prices.
Pet cremation	Fees increased to align with market.
Day care – overnight stays for children with disabilities from other LA	Proposed increase of 3.3% to cover costs.
Issuing of export certificate (visit required)	Increased by 2.75% to cover higher costs.
Insurance Charge to Berneslai Homes	Increase in line with increase in insurance premiums.

4.3 All other charges have also been reviewed and either increased in line with inflation or no changes have been made (e.g. where the charges are set by statute).

4.4 In accordance with the overall review of all fees and charges it is recommended that the schedule of existing fees and charges as set out in Appendix 2 are implemented from the 1st April 2021 or later in 2021/22 as applicable.

5. **New Fees and Charges**

5.1 In line with the Council's Commercial Strategy the following new charges are proposed for 2021/22:

SECTION 3f

Charge	Basis of charges
Land hire for commercial marketing or photography.	Significant increases in the requests for marketing activity / outdoor photography events. Charges required to cover cost and manage demand.
Hire of equipment – audio visual, stage lighting, marketing support packages.	To cover cost and manage demand.
Hire of classrooms and learning lab.	To cover cost and manage demand especially when classes run out of hours.
Permit Scheme: traffic signals only application.	New charge to cover single applications for traffic signal applications.
Pet crematorium – introduced a separate charge for cats, collect and delivery service, wooden casket and additional charge for same day cremation.	Fees are based on market testing.

- 5.3 It is recommended that these are implemented from 1st April 2021 as set out in Appendix 2 to this report.

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Fees and charges policy

This policy explains how fees and charges are created and maintained across the council

1.0 Purpose

The Council has reshaped and transformed itself into an effective, efficient, high performing and sustainable Council. This has provided the foundations to ensure we are in a position to achieve our agreed priorities and outcomes as we continue our journey to 2030 and beyond.

The current Council structure means that delivery of our key services is based on a Business Unit model supported by a strong and lean core. The financial outlook for the Council has been developed around a reducing resource envelope. By using its powers to charge for goods and services the Council is able to generate additional income to support investment in services and / or reduce the overall level of expenditure to be met by local tax payers.

Whilst being an important element of the overall financing of the Council's services and activities, fees and charges can also have an important role in other areas such as:

- Demonstrating the value of a service;
- Discouraging abuse of a service;
- Strengthening service and corporate objectives;
- Promoting and encouraging access to services.

2.0 Scope

The overriding aim of this Fees and Charges Policy is to ensure that the Council makes use of all the powers available to it in order to recover the full cost of providing services to enhance the social and economic wellbeing of the community the Council serves. In using these powers, the Council will wish to take care to ensure that the consequences of charging on individuals, the wider aims of the Council itself and / or organisations do not adversely impact on those who are vulnerable or in difficulties.

Therefore, as well as ensuring that fees and charges are in line with Council objectives, it is also sound practice to ensure that the impact of any change on service users is appropriately evidenced. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the Council to account.

Maximisation of income, following a decision to charge, is also dependent on a charge being raised and that amount being collected in a timely way.

The Policy applies to all existing fees and charges as well as any new fee or charge which the Council is eligible to levy but excludes:

- Council Tax & NNDR;
- Housing rents and service charges;
- Fees and charges fixed by statute.

Managers must consider the application of this policy when:

- Setting fees and charges (excluding rates); and

- Reviewing fees and charges.

3.0 Legal Position

The majority of the Council's statutory services (Building Control being a key exception) are funded directly from the Council's main sources of revenue, i.e. government grants and local taxation.

Income received by the Council from fees and charges is generated by statutory and discretionary services and advertising and sponsorship opportunities. Where fees and charges apply to statutory services these are often set nationally, for example, some planning and licensing fees.

Discretionary services are those that an authority has the power to provide but is not obliged to do so. They include services provided directly to the public in general such as leisure services as well as charges for the costs incurred by the council (such as legal costs) when entering into planning or highways agreements with specific persons.

Advertising and sponsorship provide an opportunity for organisations to publicise information likely to be of interest to residents through various council communication channels. All advertising and sponsorship must comply with the Council's advertising and sponsorship policy which is located at <https://www.barnsley-services.co.uk/media/2476/advertising-and-sponsorship-policy.pdf>.

The legal powers that the Council has to raise fees and charges are enshrined in specific provisions contained in both the Local Government Act 2003 and the Localism Act 2011.

Under the Localism Act 2011 there is a general power of competence which explicitly gives councils the power to do anything that an individual can do which is not prohibited by other legislation. This activity can include charging (i.e. to recover the costs of providing a discretionary service which the person has agreed to) or trading (i.e. to generate efficiencies, surpluses and profits) through a special purpose trading company.

These powers are in addition to similar powers set out in the Local Government Act 2003. The 2003 Act empowers councils to charge for any discretionary services on a cost recovery basis. For example, the Council could decide to provide a new discretionary service, that is an addition to or an enhancement of a statutory service, and then charge for it.

Statutory guidance published in 2003 outlines how costs and charges should be established and that guidance remains in force (see: '*General Power for Best Value Authorities to Charge for Discretionary Services*', ODPM, 2003).

The guidance explains that for each discretionary service for which a charge is made, councils need to ensure that, taking one year with another, the income from charges for that service where possible does not exceed the costs of provision. The requirement establishes the idea of balancing the books over a period of time (not less than 1 year and no more than 3 years).

Any over or under recovery that results in a surplus or deficit of income in relation to costs in one period should be addressed when setting charges for future periods so that over time income equates to costs.

The 2003 Act also enables councils to trade in activities related to their functions on a commercial basis with a view to profit through a company.

4.0 Council Policy

The Council's Fees and Charges Policy provides a corporate framework within which all decisions on implementation and / or changes to the levels of fees and charges are considered and approved. This is supported by detailed schedules of fees and charges which are maintained by each service and which must be reviewed on a quarterly basis in line with the Council's quarterly forecasts and annual budget setting. The objective of this process is to provide flexibility to introduce new charges and / or amend existing ones within an agreed governance structure but at various times in the year and not just at budget setting.

To avoid changes impacting on the budget and MTFS, any in-year changes should be restricted to increases in rates. Any downward changes in prices will need the service to identify mitigations to bridge any income gap resulting from the change.

Clearly future decisions on whether to charge and at what level to charge need to be considered within a framework that is used throughout the Council to achieve clarity and consistency in approach to decision making. All services must therefore comply with this policy.

The key features to consider include:

- Fees and charges will be structured to support the Council's Corporate Plan and encourage public engagement in policy development;
- The income generated from fees and charges will be used to support the work of the Council;
- Fees and charges will normally be calculated on a full cost recovery basis, depending on the state of the market and any other relevant factors. Any fees and charges agreed to generate income greater than full costs should be clearly articulated as part of the decision. For example, at present, we generate a net revenue surplus on cremation charges. A justification for making this surplus is that:
 - There are significant capital costs which are not included in the day to day running of the service; revenue surpluses are required to contribute to capital costs.
 - We run the crematorium and burial services as a consolidated service including a contribution to central overheads. When considered together, a breakeven position is achieved.

- We are setting rates at market rates to generate reserves for the future and/or to support future investment in the service.
- Where appropriate, review fees and charges every quarter in line with the quarterly forecast and annual budget processes;
- All concessions will be specified;
- Market research, comparative data, management knowledge and any other relevant information will be used where appropriate to ensure that charges do not adversely affect the take up of services;
- Fees and charges will not be used in such a way that would restrict access to information or services;
- The impact on income from fees and charges will be taken into consideration when a decision is taken to change any services provided by the Council;
- The cost of collection will be considered to ensure that fees and charges are economical to collect; and
- The income generated from fees and charges will be monitored on a monthly basis as part of the Council's budget monitoring process.

Through consideration of these factors and assessment of their relative importance for individual services, it is envisaged that the overall principal will be achieved.

5.0 Guidance on setting fees and charges

The overall principle aim of the policy is to ensure that the Council's fees and charges are set within a framework of value for money, whereby financial performance, access and equality are considered fully and appropriately, and decisions taken represent a transparent and balanced approach. To aid delivery of this the Council has in place:

1. A Commercial Strategy which is located at <https://131.barnsley.gov.uk/Commercial%20Documents/Commercial%20Strategy/Overarching%20Commercial%20Strategy%202017-2020.pdf>
2. An Income Strategy – this is being developed and will be in place for 2021/22.
3. Guidance for Managers set out in Appendix A of this policy.

The Commercial Strategy focuses on 4 key themes:

- Developing a commercial culture.
- Ensuring that we demonstrate value for money across all activities.

- Effective procurement and commissioning.
- Maximising the income generating potential of the Council.

The commercial strategy is a key document to support the Council in an ever-changing environment and sets out a framework for helping it to seek out new opportunities. We will seek to achieve this by:

- Identifying and implementing opportunities for cross selling our services and providing our customers with the ability to buy a package of products;
- Working collaboratively with other local authorities and partners where significant commercial opportunities exist;
- Horizon scanning the marketplace to seek out and secure new commercial opportunities;
- The ability to set discretionary fees and charges in markets where flexibility is required.

The Guidance for Managers, which is attached at Appendix A, sets out information for applying the fees and charges policy. The aim is to encourage a consistent and cost effective approach to the setting of charges for services provided by:

- a. Specifying the process and frequency for reviewing existing charges for all areas of the council's work for which charges could in principle be set;
- b. Providing guidance on the factors that need to be taken into consideration when charges are being reviewed;
- c. Requiring more active use of market intelligence when setting charges;
- d. Establishing parameters for calculating different levels of charges;
- e. Recommending the criteria for applying concessions or discounted charges consistently across the council; and,
- f. Ensuring the Finance Business Unit is consulted at an early stage to provide support and ensure compliance with Financial Regulations.

6.0 Payment Methods

The Council provides a range of cost effective 24/7 payment options with a choice of frequencies. Not all payment methods will be available to all customers and there is a requirement for customers to use the most cost efficient and effective payment method for their circumstances. Payment by direct debit is the council's preferred /default payment option.

Payment for services, where possible, will be in advance or at the point of service delivery. In order to manage collection costs a de-minimus level will be set below which a debt will not be raised and payment in advance will be required. These levels are outlined in the Councils debt process appendices. More information can be found in the Councils Corporate Debt Policy which is located at <https://home.barnsley.gov.uk/Finance/Pages/Finance.aspx>

7.0 Equality Impact Assessments

Under Section 149 of the Equality Act 2010, the Council has a duty when exercising its functions to have 'due regard' to the need to eliminate discrimination and other conduct prohibited under the Act and promote equality of opportunity and foster good relations between those who share a "protected characteristic" and those who do not. This is the public sector equality duty.

The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision.

Before the Council exercises its fees and charging powers, the impact on individuals or groups of individuals who share a protected characteristic must be carefully considered and properly factored into the decision making process using the Council's EA screening template.

8.0 Review of Policy

This Policy is to be reviewed every year to ensure consistency with wider council and departmental objectives and priorities and national policy changes and initiatives. The next review of this policy is scheduled to take place in November 2021.

Appendix A

Fees and Charges Policy - Guidance for Managers

1. Frequency for reviewing charges

The setting of appropriate fees and charges should be an integral part of service planning and improvement and therefore they should be reviewed on an ongoing basis and at least quarterly as part of the quarterly forecast exercise and the annual Service and Financial Planning process. This approach provides the flexibility to amend and vary the fees and charges at several times during the year to ensure that they remain consistent with the Council's priorities, are fully recovering all costs and take account of service aims, market sensitivity and customer preferences.

To avoid changes impacting on the budget and MTFS, any in-year changes should be restricted to increases in rates. Any downward changes in prices will need the service to identify mitigations to bridge any income gap resulting from the change.

It is recognised that there may be services where it is appropriate to undertake annual reviews and implement within different timescales (e.g. education related services and packages will be based around the academic year).

This will allow the detailed schedule of fees and charges to be agreed and published each year following the setting of the overall budget but provide flexibility for these to be amended and updated proactively to reflect decisions made outside the annual budget setting cycle.

It is also important that all services regularly reviews and challenges itself to identify where charges could be made but are currently not to ensure where possible the Council is recovering the cost of the discretionary services it provides.

2. Factors to consider when reviewing and setting new fees and charges

Reviews of charges will need to consider the following factors:

Charge Related	External Factors	Internal factors
Is the service applying the council's definition of full cost recovery	Any special statutory requirements that needs to be complied with e.g. requirement to consult or publish a notice in a local newspaper and social media.	Method and cost of income collection. Please refer to the Council's Income and Debt collection policy for charges and minimum billing values.
Charges should be increased in line with inflation unless there is a good reason not to do so.	Trends in user demand and the forecast effect of price changes.	Time factors where advance bookings have been taken, notifications to customers of any change to

		fees must be timely and in advance.
A consistent measure of inflation across services where possible. Services should use the Consumer Price Index (CPI) or Retail Price Index (RPI) at the end of October in the current year and compare to the previous October to derive the percentage change to apply. Consideration may also need to be given to the cost of agreed employee pay settlements.	Customer survey results.	Council wide and service budget targets.
If fees are amended regularly during the year, consideration needs to be given to amending internal systems, particularly for prepayment customers.	Competitor charges and market conditions.	Proposals for targeted promotions during the year, and evaluation of any that took place in the previous year.
Whether it is being subsidised, and to what extent. Cross subsidisation is illegal. See Commercial Strategy.	The public sector equality duty (i.e., section 149 of the Equality Act 2010).	Cost structure implications arising from developments such as investments made in the service.
Alternative delivery models that could be more effective e.g. set up a Trading Company. The creation of BPL to manage and run the Councils leisure facilities is a good example where this approach has worked very well.		

A list of questions to assist service managers to review fees and charges is provided at **Appendix B**.

4. The use of market intelligence

Services with existing charges or where new charges are being introduced (particularly for services that have previously been provided for free) should consult with the market and users of the service on the range, quality and cost of the services. Where cost effective to do so and we are able to identify willing parties, benchmarking should be carried out to compare the Council's charges with others and to provide justification of any subsidy given by the Council. This is necessary to understand the needs, behaviour and expectations of the market and its users, and their ability to pay.

Managers should take steps to identify competitors offering similar or related services, and make use of comprehensive and dynamic market intelligence in evaluating comparability especially with regards to:

- the charging policy
- the range of services provided
- the quality of services provided
- their cost structure

Benchmarking should be undertaken regularly with other councils in the local area, service providers and with relevant national groupings of authorities, to ensure that charges are at comparable levels and that significant differences are understood and justified. This should be done in conjunction with the Business Improvement and Intelligence (BII) team. CIPFA and APSE may also be able to provide support and guidance in this area.

4. Calculation of Fees and Charges

As noted earlier in sections 2 and 3, fees and charges must be set on a full cost recovery basis. Charges cannot be set at a level to recover more than cost if that is all the Council has the legal power to do. The definition of cost includes:

a.	Direct costs of service provision*	Need to include fixed and variable costs in each area.
b.	Indirect costs;* and	
c.	Overheads and Central Service Charges (CSCs) which need to include financing and premises costs as well as central support costs (e.g finance/HR services).	

*see appendix C for more information on each of these.

The cost recovery limit applies to the overwhelming majority of services which the Council can set a charge for. If, however, the Council has the legal power to do so careful consideration should be given to charging more than the full cost of the service. For example, charging could be used as a tool to manage excess demand e.g. demand for Tee times at the golf course on weekends. In overview there are 3 ways in which fees and charges may be set:

- a. Fees and charges prescribed by legislation, usually in a regulatory context, and varied from time to time which the person liable has an obligation to pay;
- b. Fees and charges reviewed and set by members (e.g. Cabinet or Full Council) from time to time (usually annually); and
- c. Fees and charges reviewed and set by officers from time to time acting under delegated powers.

As part of the annual budget cycle each service will carry out a recalculation of existing fees and charges together with opportunities to raise additional

income from new areas of charging, and present proposals for revised charges.

Guidance on calculating full costs is set out in **Appendix C**.

5. VAT

It is important that the correct treatment of VAT is applied to fees and charges. VAT is a very complex area and it is recommended that managers discuss the VAT treatment with Financial Services.

6. Fines/Penalties

There may be circumstances where income generation is not the only key driver for the way in which charges are set, for example, where the Council wishes to manage demand, or deter or incentivise certain behaviours such as encouraging re-cycling, discouraging trade use of civic amenity waste sites etc. In this context, however, the general principles of charging should apply and in particular that any charged activities, enforcement etc. must at least recover cost of providing the activity.

7. Concessions

The purpose of offering concessions must be to support Council priorities. It is important to note that concessions are not always appropriate or legal, for instance, if used to undercut competitors. For this reason, and to assess the impact on the overall income position, managers should consult with Financial Services prior to implementing concessions.

Generally the reasons for operating concessionary charges will fall into one of two categories:

- to influence the level of demand for a service; or
- to reflect the circumstances of service users.

Concessions must also be reviewed at least on an annual basis, to confirm both the level of subsidy and also their ongoing relevance.

Each service will maintain a list of concessions in operation and keep under review requests for concessions to be offered.

Some examples of concessions include, staff parking permits, parking season tickets, golf club weekday, weekend and twilight rates, golf discounts for societies etc., and a £5 staff discount for MOTs at Smithies.

Concessionary charges should not normally apply at times or in situations which would result in the loss of income from customers paying the full charge. Within the overall aim of minimising any social or economic barriers to the take-up of services, Managers should at all times consider ways in which a proportion of income generated from charges could be used in the interests of social inclusion. The types of mechanisms that might be made available to encourage take-up of council services by disadvantaged groups might include

transport to facilities, provision of child care, additional promotional discounts to encourage use, or development activity to raise levels of aspiration. Accurate user statistics should be maintained to ensure that a subsidy being provided on social inclusion grounds is effective.

8. Unrestricted Statutory Fees and Charges

The pure maximisation of revenue is not a bona fide consideration for imposing or increasing fees and charges. The key driver must be to manage demand or recover costs. In these instances the Council will have discretion as to whether to apply charges and the level of these charges. The Council is also able to use any surpluses resulting from these charges across a wider range of services. One example of these is on-street car parking.

There are no legal limits on the amount that a local authority may charge for on-street parking but there are limits on the level of penalty charges that may be imposed. However, the level of on-street parking charges must be set for traffic management reasons, such as to ration available space and ensure that there is a rapid turnover of parking spaces and not to maximise revenue.

Whilst it is reasonable for a Council to take due regard of estimated costs and income arising from the management of parking, it is not lawful for a local authority to use the Road Traffic Regulation Act 1984 to justify imposing charges to raise revenue. This is because section 122 of the Road Traffic Regulation Act 1984 does not include the maximisation of revenue from parking charges as one of the relevant considerations to be taken into account in securing the safe, expeditious and convenient movement of traffic.

If the amount raised exceeds the cost of administration of the current or previous year, the local authority may either roll the surplus forward to cover the costs of future parking controls or it may use the surplus for approved purposes, which are, in summary:

- Contributing to the cost of off-street parking.
- Where it appears to the local authority that there is sufficient off-street parking, contributing to the public passenger transport services, road improvements, environmental improvements and for some local authorities, any other lawful activity.

Therefore, local authorities are empowered not only to designate and control parking spaces in their area, but to retain all income recovered. Surpluses may be carried forward until they are applied to projects that fall within the specific statutory purposes. These purposes are wide-ranging and, although in general they relate to transport services or to road improvements, are not limited to parking facilities or even vehicular transport.

9. Process for Reviewing and Setting New Charges

In broad terms setting fees for regulatory services (i.e. licensing, planning, etc.) are non-executive functions. These therefore need to be submitted to Full Council for approval annually. This can be done as part of the budget

setting and approval process. Full Council can, however, delegate this function to a committee, officer etc.

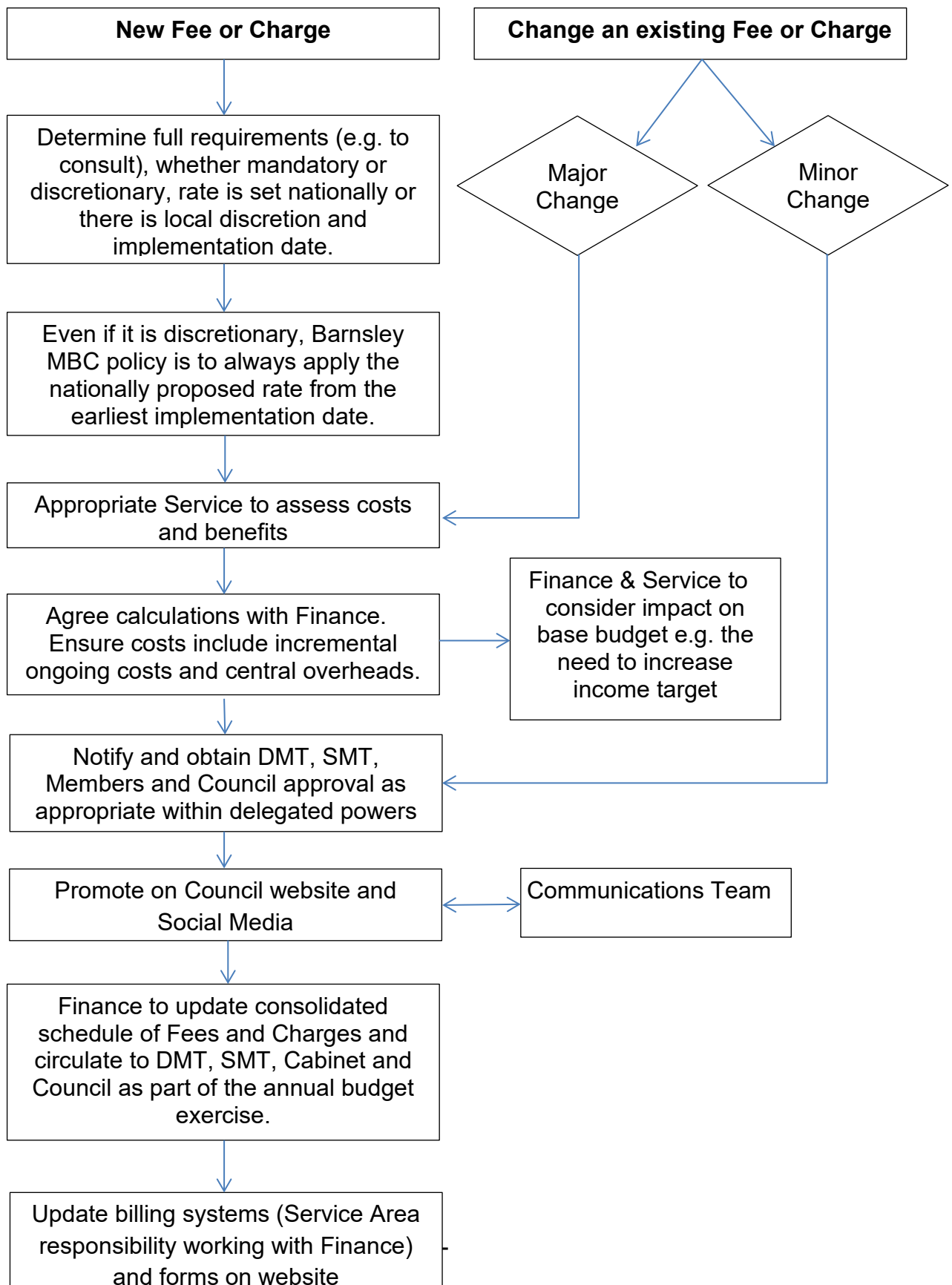
Fees and charges for discretionary services are usually executive functions and therefore need to be approved by Cabinet. Cabinet can, however delegate this function.

As indicated previously, the process provides flexibility to amend or create new charges at almost any time throughout the year. Depending on the size and political sensitivity of these, the changes will need to be approved via the existing DMT/SMT/Cabinet reporting governance process in line with delegated powers.

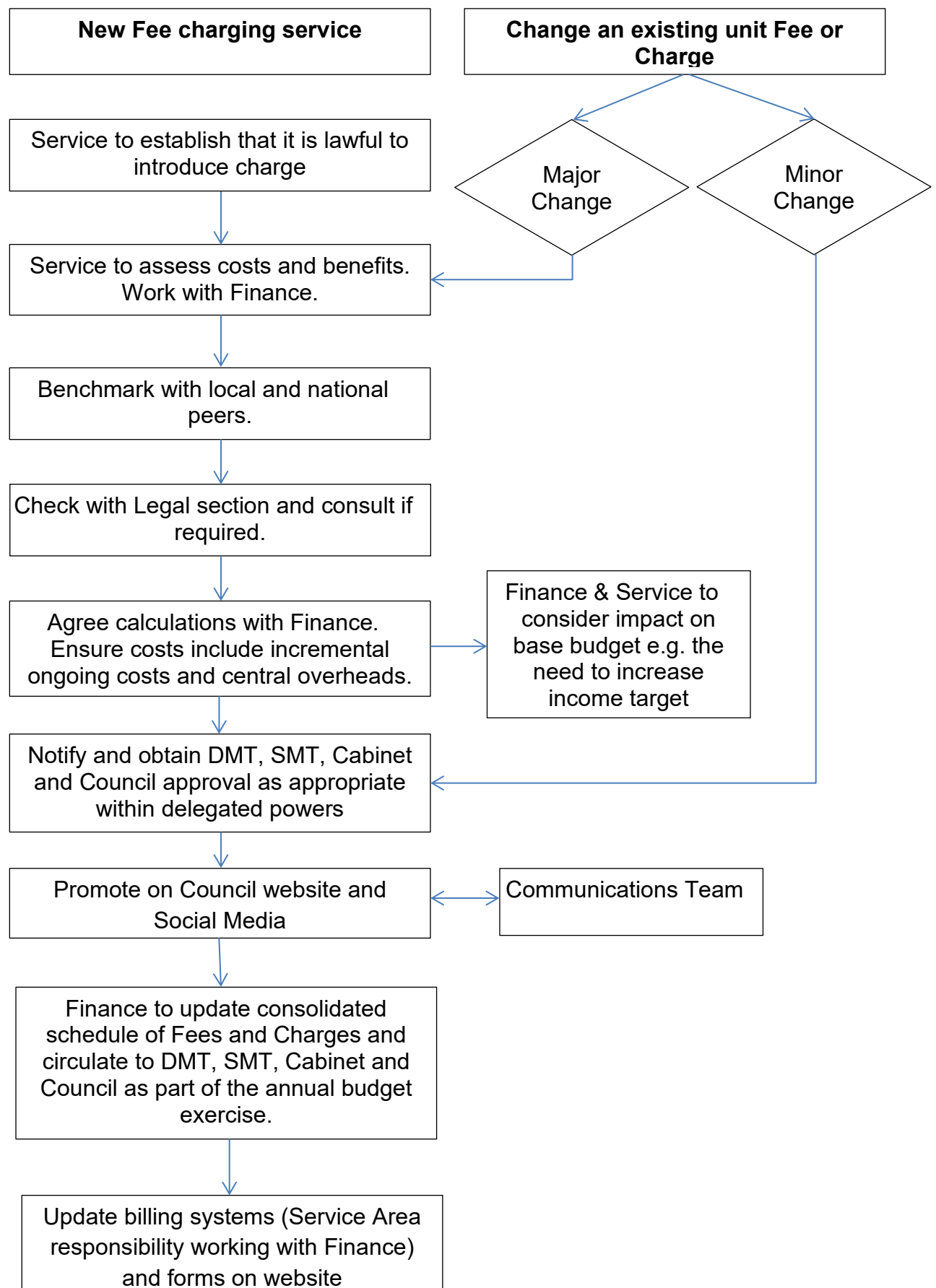
The processes in the charts below should be followed for reviewing and setting new fees and charges.

Process for reviewing and setting fees and charges for regulatory services

On a regular basis, annually as a minimum and well in advance of budget setting (as there may be need to consult), scan government notifications for Service area and identify new and / or changes to existing fees and charges.



Process for reviewing and setting fees and charges for discretionary services



Appendix B

Questions to be considered when setting charges

The Head of Service is responsible for the target setting and performance management of income generation for their service area.

Charging Review – Questions to be considered

The following questions, based on the Audit Commission's 2008 document *"Positively Charged"*, are provided to assist service managers to undertake a review of their charges. These questions should be considered in conjunction with the Council's Commercial Strategy which is located at <https://13l.barnsley.gov.uk/Commercial%20Documents/Commercial%20Strategy/Overarching%20Commercial%20Strategy%202017-2020.pdf>

1. What do we want to achieve including:

- What objectives are we supporting with charges?
- How much income are we trying to generate and why?
- Whose use of services does the Council wish to subsidise and by how much?
- Whose behaviour does the Council wish to influence and in what ways?
- How will charges help improve value for money, equity and access to services?
- What principles should underpin our approach to charging?

2. What's the current picture?

- What is the current charge and what assumptions is this based on?
- How do charges compare to similar councils and other service providers?
- How are charges structured and why?
- Are cost effective mechanisms available for paying and collecting charges?
- Are the charging objectives being met?
- Are income targets being achieved?
- What is the impact, intended or unintended, of charges on local people?
- Which people are using services and which aren't?
- Which users are paying for services and which aren't?
- Are concessions being taken up by the people at whom they are targeted?
- Is the take-up of related benefits in this area being maximised?

3. What do local people think of our charges?

- Have service users and the public been consulted about the current and proposed charges plus their views on value for money of the service?
- Do service users and taxpayers understand our objectives and how the structure of our charges contributes to achieving them?

4. What are the next steps?

- What changes, if any, should be made to the level and structure of charges?
- How will the impact of charges be evaluated?
- What data will be required?
- Can the data be collected cost effectively?
- When will approach be reviewed?

Appendix C

Calculation of Costs in the setting of Fees and Charges

1.0 Calculating the total cost of delivery

Calculating the costs of a service is a complex process that overlays direct costs, service overheads and corporate overheads to produce a total service unit cost.

1.1 Direct service costs

Direct service costs are those costs which are directly attributable to providing the service that is being charged for and include items such as pay, national insurance and pension plus any associated costs such as travel, materials, printing, stationery – any costs that the service manager has within their budgetary control. The unit of cost would be based upon the service being offered – per instance, per hour, per session and would include all of the direct service costs for providing that unit of service. Units may be combined if appropriate such as visits per week to calculate the cost of a visit.

1.2 In-direct service costs

These are costs which often need apportioning across different activities in the service area or directorate and so service managers must seek Finance support to derive these costs. This will include items such as, training, fleet costs, service management and service administration & support.

1.3 Central Service Charges / Overheads

Central Services Charges (“CSCs”) include all central support services and overheads. It will include the Core Services directorate and the cost of financing and investment and all other income and expenditure. It will also need to include property and associated asset management costs.

Consideration of corporate overheads in the fees and charges setting process needs to be done to generate an indication of the true cost of operating the service for recharging purposes and to demonstrate that we are not making excessive surpluses.

For the reasons given above, and as calculating corporate overheads requires financial information from across the Council the calculation will be the responsibility of Financial Services who will provide the information in an easy to apply format in line with the budget setting timetable each financial year.

Incorporating the overheads into the cost of an activity provides the indicative full costs to the Council of these Services. Any cost generated in this way is for indicative purposes only and should not be treated as the cost that must be recovered through charging. The fees and charges applied will depend on political, economic and market factors and could range from nil to full cost recovery.

2.0 Alternatives for consideration

The limiting factor in charging for goods and services provided is that in most cases it is limited to cost recovery only.

In comparison, trading for services allows for fees and charges to be regulated by the market. The limiting factor for trading is the market price for the service and the sustainability of any company set up specifically to trade for that service.

Ultimately, the maximum price for a service is set by the market. The decision as to whether to charge or to trade in the service is determined by the cost base for delivery of the service. If the market price is significantly higher than current charges and benchmarked charges then serious consideration should be given to setting up a trading company for that service.

FEES & CHARGES PROPOSALS FOR 2021/22

Fee / Charge description	Income type - (Statutory / Discretionary)	Basis of charge	Charge for 2020/21	Proposed charge for 2021/22
PLACE DIRECTORATE				
REGENERATION & PROPERTY				
PROPERTY SERVICES				
Land and Building Rent; Maintenance, Service Charges	Discretionary	Market Value	Various rates	Various rates
Allotment rent - with water	Discretionary	Per allotment	£82.17	£82.17
Allotment rent - without water	Discretionary	Per allotment	£40.49	£40.49
Garage rent	Discretionary	per site	£37.00	£37.00
CLIS / Adult Learning				
Acorn Centre Service Charges	Discretionary			
Office Space	Discretionary	per sq ft	£11.86	£11.86
Workshops	Discretionary	per sq ft	£8.83	£8.83
Kendray Service Charges				
Office Space	Discretionary	per sq ft	£11.04	£11.04
Workshops	Discretionary	per sq ft	£9.72	£9.72
Tuition / course fees				
With SFA public subsidy	Discretionary		£2.90	£2.90
Without SFA public subsidy	Discretionary		£5.80	£5.80
With SFA public subsidy - means tested benefits excluding JSA & ESA (WRAG)	Discretionary		£1.45	£1.45
Without SFA public subsidy - means tested benefits excluding JSA & ESA (WRAG)	Discretionary		£2.90	£2.90
BUILDING CONTROL				
Building regulation application charges				
New housing				
1 Dwelling	Statutory	1 Dwelling	£542.00	£542.00
2 Dwelling	Statutory	2 Dwelling	£750.00	£750.00
3 Dwelling	Statutory	3 Dwelling	£958.00	£958.00
4 Dwelling	Statutory	4 Dwelling	£1,167.00	£1,167.00
5 Dwelling	Statutory	5 Dwelling	£1,375.00	£1,375.00
6 or more Dwellings	Statutory	6 or more Dwellings	Determined individually	Determined individually
Domestic building works				
Attached/detached garage or carport, n.e. 36m ²	Statutory	Domestic Building Type	£217.00	£217.00
Attached/detached garage or carport, 36-100m ²	Statutory	Domestic Building Type	£292.00	£292.00
Extension 40 - 60m ²	Statutory	Domestic Building Type	£500.00	£500.00
Extension 60 - 100m ²	Statutory	Domestic Building Type	£558.00	£558.00
Replacement window/s & door/s to one property	Statutory	Domestic Building Type	£83.00	£83.00
Replacement window/s & door/s to more than one property	Statutory	Domestic Building Type	Determined individually	Determined individually
Controlled domestic electrical work (not CPS)	Statutory	Domestic Building Type	£333.00	£333.00
Renovation of a thermal element (non-structural)	Statutory	Domestic Building Type	£83.00	£83.00
Renovation of a thermal element (structural)	Statutory	Domestic Building Type	£150.00	£150.00
Rooms in a roofspace including means of access	Statutory	Domestic Building Type	£417.00	£417.00
Additional rooms in a roof space excluding means of access	Statutory	Domestic Building Type	£333.00	£333.00
Other domestic work - estimated cost < £2,000	Statutory	Domestic Building Type	£142.00	£142.00
Other domestic work - estimated cost £25,000 - £50,000	Statutory	Domestic Building Type	£450.00	£450.00
Other domestic work - estimated cost > £50,000	Statutory	Domestic Building Type	Determined individually	Determined individually
Non-domestic building works	Statutory	Domestic Building Type		
Installation of < 20 windows and doors	Statutory	Domestic Building Type	£217.00	£217.00
Installation of 20 - 50 windows and doors	Statutory	Domestic Building Type	Determined individually	Determined individually
Other non-domestic work - estimated cost < £2,000	Statutory	Domestic Building Type	£200.00	£200.00
Other non-domestic work - estimated cost £2,000 - £5,000	Statutory	Domestic Building Type	£225.00	£225.00
Other non-domestic work - estimated cost £5,000 - £10,000	Statutory	Domestic Building Type	£300.00	£300.00
Other non-domestic work - estimated cost £10,000 - £25,000	Statutory	Domestic Building Type	£420.00	£420.00
Other non-domestic work - estimated > £50,000	Statutory	Domestic Building Type	Determined individually	Determined individually
Street naming & property numbering charges				
New property addresses on existing street				
1	Discretionary	1 property	£55.00	£55.00
2 to 5	Discretionary	2 to 5 properties	£90.00	£90.00
6 to 10	Discretionary	6 to 10 properties	£110.00	£110.00
11 to 50	Discretionary	11 to 50 properties	£165.00	£165.00
51+	Discretionary	51+ properties	£220.00	£220.00
Change to a new development after notification	Discretionary			
1	Discretionary	1 property	£55.00	£55.00
2 to 5	Discretionary	2 to 5 properties	£90.00	£90.00
6 to 10	Discretionary	6 to 10 properties	£110.00	£110.00
11 to 50	Discretionary	11 to 50 properties	£165.00	£165.00
51+	Discretionary	51+ properties	£220.00	£220.00
Re-addressing of properties on existing street	Discretionary	per property	£135.00	£135.00
New property addresses requiring new street names:	Discretionary			
1	Discretionary	1 property	£80.00	£80.00
2 to 5	Discretionary	2 to 5 properties	£110.00	£110.00
6 to 10	Discretionary	6 to 10 properties	£155.00	£155.00
11 to 50	Discretionary	11 to 50 properties	£220.00	£220.00
51+	Discretionary	51+ properties	£300.00	£300.00

MUSIC SERVICE					
	Instrument Hire Theory	Discretionary	per term	£15.00	£16.00
	Instrument Hire Aural	Discretionary	per term	£10.00	£12.00
	Contin Lessons per term	Discretionary	per term	£35.00	£35.50
	Group Lessons per term	Discretionary	per term	£51.00	£52.50
	20 minute Individual Lessons per term	Discretionary	per term	£102.00	£105.00
	30 minute Individual Lessons per term	Discretionary	per term	£147.00	£150.00
	Ensemble Rehearsal Charge	Discretionary	per session (min. 10 per term)	£28.00	£30.00
	Ensemble Performance Charge	Discretionary	per member of staff	£28.00	£30.00
	KS1 projects per year	Discretionary	per year	£1,230.00	£1,260.00
	KS2 full year projects	Discretionary	per year	£750.00	£775.00
DEVELOPMENT MANAGEMENT					
	Planning Application Fees	Statutory	Per application	Various rates	Various rates
	Householder Enquiry Forms	Discretionary	Per enquiry	£60.00	£60.00
	Minor Pre-application Advice	Discretionary	Per enquiry	£60.00	£60.00
	Residential pre-app - 1 to 5 dwellings	Discretionary	Per enquiry	£180.00	£180.00
	Residential pre-app - 6 to 19 dwellings	Discretionary	Per enquiry	£600.00	£600.00
	Residential pre app - 20 dwellings +	Discretionary	Per enquiry	£1,200.00	£1,200.00
	Non - residential pre-app : Up to 500sqm of additional floorspace	Discretionary	Per enquiry	£240.00	£240.00
	Non - residential pre-app: 500 - 4,999 sqm of additional floorspace	Discretionary	Per enquiry	£600.00	£600.00
	Non - residential pre app: 5,000 sqm + of additional floorspace	Discretionary	Per enquiry	£1,200.00	£1,200.00
	Other pre-apps not within above categories	Discretionary	Per enquiry	£120 +	£120 +
	Listed Building & Conservation Area Advice	Discretionary	Hourly Rate	£100.00	£100.00
	Sec 106 Legal Agreement Enquiries	Discretionary	Hourly Rate	£116.00	£116.00
	Planning Policy Evidence Based & Land Allocation Discussions	Discretionary	Hourly Rate	£0.00	£0.00
MARKETS					
	Barnsley Open Market - all stalls	Discretionary	Day Rate	£20.00	£20.00
	Barnsley Central Sunday Market - all 8ft stalls	Discretionary	Day Rate	£10.00	£10.00
	Barnsley Glassworks Market - all days:	Discretionary			
	Stall rental	Discretionary	Per annum per Square Foot	£31.00	£31.00
	Café rental	Discretionary	Per annum per Square Foot	£37.20	£37.20
	Market Kitchen Rental	Discretionary	10% or 15% of Turnover dependant on Business type		
	Basement storage	Discretionary	Per annum per Square Foot	£12.75	£12.75
	Service Charge	Discretionary	Per annum per Square Foot	£13.00	£13.00
	Trader car parking - Standard trader bay	Discretionary	Day Rate	£2.50	£2.50
	District Markets	Discretionary			
	Wombell - Stall 10 x 8	Discretionary	Day Rate	£13.50	£13.50
	Hoyland - A 11' stall	Discretionary	Day Rate	£12.00	£12.00
	Goldthorpe - A 9' stall	Discretionary	Day Rate	£9.50	£9.50
	Penistone - 2 metre stall	Discretionary	Day Rate	£10.00	£10.00
	Penistone - 3 metre stall	Discretionary	Day Rate	£15.00	£15.00
	Penistone - Building Hire	Discretionary	1/2 day rate	£50.00	£50.00
COMMERCIAL SPACE MANAGEMENT					
	Barnsley 4m x 4m	Discretionary	Day Rate	£100.00	£100.00
	Barnsley 6m x 4m	Discretionary	Day Rate	£130.00	£130.00
	Barnsley 8m x 4m	Discretionary	Day Rate	£150.00	£150.00
	Wombwell	Discretionary	Day Rate	£65.00	£65.00
	Hoyland	Discretionary	Day Rate	£30.00	£30.00
	Goldthorpe	Discretionary	Day Rate	£30.00	£30.00
	Penistone	Discretionary	Day Rate	£30.00	£30.00
	Book to roam (leaflets)	Discretionary	Per distributor	£15.00	£15.00
CULTURAL VENUES - MUSEUMS AND HERITAGE CENTRES					
	Cooper Gallery	Discretionary			
	Sadler Room Hire Per Day	Discretionary	Per Day	£220.00	£220.00
	Sadler Room Hire Per hr outside core hrs	Discretionary	Per hr outside core hrs	£50.00	£50-£100
	Sadler Room Hire Charities -full day	Discretionary	Charities -full day	£150.00	£150.00
	Sadler Room Hire Per hr outside core hrs	Discretionary	Per hr outside core hrs	£30.00	£30-£60
	Sadler Room Hire Gallery Hire (2 hours)	Discretionary	Gallery Hire (2 hours)	£500.00	£500.00
	Commission on Artists work sales	Discretionary	Commission on Artists work sales	35% + VAT	40% + VAT
	Cannon Hall	Discretionary			
	Spencer Wing Conference Hire	Discretionary	Full day	£220.00	£220.00
	Spencer Wing Conference Hire	Discretionary	Per Hour	£75.00	£75.00
	Spencer Wing Conference Hire	Discretionary	Charities full day, £30 per hr outside core hrs	£150.00	£150.00
	Spencer Wing Conference Hire	Discretionary	Charities per hour	£30.00	£30.00
	Victorian Wing Hire	Discretionary	per day	50.00 - 100.00	£220.00
	Victorian Wing Hire	Discretionary	per hr weekends	£70.00	£75.00
	Victorian Wing Hire	Discretionary	per day (charities)	30.00 -75.00	£150.00
	Victorian Wing	Discretionary	per hr weekends (Charities)	£30.00	£30.00
	Ballroom Hire for ceremony	Discretionary	All prices are Plus VAT	£1,200.00	£1,200.00
	Deer Shelter for Ceremony	Discretionary	All prices are Plus VAT	£1,500.00	£1,500.00
	Library Hire for ceremony	Discretionary	All prices are Plus VAT	£1,000.00	£1,000.00
	Ballroom Hire for private functions	Discretionary	All prices are Plus VAT	£1,200.00	£800-£1500
	Gallery Hire for functions	Discretionary	For 2 hours	£500.00	£500.00
	Drink Functions (Spencer wing)	Discretionary	Per Hour	£100.00	£100-£250
	Car Parking	Discretionary	2 hours - cars and minibuses	£1.00	£1.00
	Car Parking	Discretionary	All day - cars and minibuses	£3.00	£5.00
	Car Parking	Discretionary	Coaches	£5.00	£5.00
	Car Parking	Discretionary	Motorcycles	free	free
	Car Parking	Discretionary	Season Ticket (includes VAT)	£100.00	£100.00
	Land hire	Discretionary	Land Hire per day	£1,250.00	£1250-£3000
	Land hire	Discretionary	per day per pitch (charities)	£50.00	£50.00
	Land hire	Discretionary	per day per pitch (charities)	£25.00	£25.00
	Land hire - commercial marketing / photography use	Discretionary	Land Hire per day	£0.00	£300-£500
	Walled Garden Exclusive use	Discretionary	2 hours	£0.00	£1000 - £3000

	Elsecar				
	Building 21 - hire per hour weekdays	Discretionary	All prices are Plus VAT	£50.00	£100.00
	Building 21 - hire per hour weekdays (Charity)	Discretionary	All prices are Plus VAT	£0.00	£50.00
	Building 21 - hire all day	Discretionary	All prices are Plus VAT	£1,500.00	£800-£3000
	Building 21 - Wedding Ceremony only	Discretionary	All prices are Plus VAT	£0.00	£1,500.00
	Hard based space outside	Discretionary	All prices are Plus VAT	£400.00	£500.00
	Stage Hire	Discretionary	Per day	£250.00	£250.00
	Tiered seating	Discretionary	Per day	£250.00	£250.00
	Trestle tables	Discretionary	Per table	£5.00	£5.00
	Additional chairs(over 50)	Discretionary	Per chair	£2.00	£2.00
	AV equipment	Discretionary	Per day	£250.00	£250.00
	Stage lighting	Discretionary	Per day	£50.00	£50.00
	Marketing support packages	Discretionary	Per event	From £50	From £50
	Crash barriers	Discretionary	Per barrier per day	£20.00	£20.00
	Worsbrough Mill				
	Visitor Centre Hire - Private & Commercial Mon-Fri	Discretionary	Per day	£220.00	£220.00
	Visitor Centre Hire - Private & Commercial Weekends and evenings	Discretionary	Per hour	£50.00	£50.00
	Car Parking	Discretionary	Iseason tickets	£100.00	£100.00
	Car Parking	Discretionary	per hour	£1.00	£1.00
	Car Parking	Discretionary	per day	£3.00	£3.00
	Car Parking	Discretionary	per day coaches	£5.00	£5.00
	Land hire	Discretionary	Per day	£1,000.00	£1250-£3000
	Pitch Hire	Discretionary	Charities	£25.00	£25.00
	Pitch Hire	Discretionary	Non-charities	£50.00	£50.00
	Classroom Hire (per day) at Worsbrough Mill	Discretionary	Non-charities	£0.00	£60.00
	Classroom Hire (per day)	Discretionary	Charities	£0.00	£30.00
	Experience Barnsley				
	Hire of Learning Lab (office hours)	Discretionary	Per day	£220.00	£220.00
	Hire of Learning Lab	Discretionary	Per hr	£50.00	£50 - £100
	Hire of Learning Lab	Discretionary	Charities -full day	£150.00	£150.00
	Hire of Learning Lab	Discretionary	Per hr	£30.00	£30 -£ 60
	Hire of galleries (evening function)	Discretionary	Dependent on length (from)	£500.00	£500.00
	Archives				
	Various copying, printing charges	Discretionary		0.35 to 20.00	0.35 to 20.00
	Commercial use of images or documents	Discretionary	Various charges	120.00 - 480.00	120.00 - 480.00
	Low resolution images for use on the internet	Discretionary	Various charges	6.00 - 240.00	6.00 - 240.00
	Commercial use of exhibitions	Discretionary	Various charges	60.00 -180.00	60.00 -180.00
	Television - first broadcast	Discretionary	Plus VAT	£360.00	£360.00
	Television - for subsequent repeats	Discretionary	Plus VAT	£180.00	£180.00
	SCHOOL VISITS				
	Visits per child (full day) Arts Award	Discretionary	Visits per child (full day) Arts Award	£12.75	£12.75
	Visits per child (full day)	Discretionary	Visits per child (full day)	£8.99	£8.99
	Half day per child	Discretionary	Half day per child	£4.99	£4.99
	Use of Learning Lab per hour	Discretionary	Use of Learning Lab per hour	£25.00	£25.00
	Talks and Tours on Site	Discretionary	Talks and Tours on Site		
	Loan Box Hire 1 week	Discretionary	Loan Box Hire 1 week	£25.00	£25.00
	Loan Box Hire 2 weeks	Discretionary	Loan Box Hire 2 weeks	£50.00	£50.00
	PROFESSIONAL CONSULTANCY	Discretionary	Per day + expenses (from)	From 250.00	From 250.00
	TRANSPORT				
	Construction of highways to be adopted (section 38 Highways Act 1980) HIGHWAY DC ONLY	Discretionary	Based on size and scale of project	Variable	Variable
	HOUSING				
	Landlords Accreditation Scheme				
	Landlords with more than 1 property	Discretionary	Per Landlord	£50.00	£50.00
	GYPSY SITES				
	Pitch rents at Smithies Lane Gypsy & Traveller site (Small improved pitch)	Discretionary	per week per pitch	£79.46	£80.65
	Pitch rents at Smithies Lane Gypsy & Traveller site (Large improved pitch)	Discretionary	per week per pitch	£103.29	£104.84
	Hire of caravans (Ings Road site etc)	Discretionary	per week - 28ft caravan	£71.39	£72.46
	Hire of caravans (Ings Road site etc)	Discretionary	per week - 35ft caravan	£71.39	£72.46

ENVIRONMENT & TRANSPORT					
WASTE					
	Commercial waste collection				
	Assisted Collection Registration Fee	Discretionary	per registration	£10.00	£10.00
	Others				
	Zone B	Discretionary	Commercially Sensitive Information - available on request		
	Zone C	Discretionary			
	charity a	Discretionary			
	charity b	Discretionary			
	charity c	Discretionary			
	charity d	Discretionary			
	recycling up to 3 bins	Discretionary			
	recycling over 3 bins	Discretionary			
	Commercial Waste Bin delivery	Discretionary	Per Bin	£25.00	£25.00
	Bin delivery charges	Discretionary	Per Bin	£25.00	£25.00
	Special (bulky) collection	Discretionary	up to 2 items	£20.00	£21.00
	1 to 2 items	Discretionary	each item above 2 (upto 12)	£5.00	£5.00
	Above 12 items	Discretionary	Above 12	Determined individually	Determined individually
	Premium upgrade	Discretionary	Premium Upgrade	£10.00	£10.00
	Additional premium item	Discretionary	Additional premium item	£5.00	£5.00
FLEET					
	MOT fees - general public	Statutory	Per Inspection - £5 discount available	£45.00	£45.00
NEIGHBOURHOOD SERVICES					
	Parcels of work	Discretionary	Individually priced		
	Disposal of dead animals following RTA	Discretionary	per Animal	£30.00	£30.00
TRANSPORT					
	Transport (Day Care)	Discretionary	Per Journey	£2.00	£2.00
STORES / DEPOT					
	Weighbridge	Discretionary	Per use (Plus VAT)	£11.67	£11.67
	Material Recycling Plant				
	Green Waste	Discretionary	Cost per ton	£18.25	£20.00
	Clean Rubble Hard Core	Discretionary	Cost per ton	£3.10	£20.00
	Sub soil/stone (ie mixed)	Discretionary	Cost per ton	£3.10	£7.50
ENGINEERS					
	Street Lighting - external	Discretionary	Individually priced		
	Street Lighting Design	Discretionary	Individually priced		
	Other (dropped crossings)	Discretionary	Individually priced		
	Other (signs)	Discretionary	Individually priced		
	Other (Engineering Services external works)	Discretionary	Individually priced		
	Mechanical sweeping - external	Discretionary	per hour	£70.17	£71.00
	Cesspit emptying - domestic	Discretionary	per visit	£295.40	£300.00
	Cesspit emptying - industrial	Discretionary	per hour + disposal costs + vat	£104.75	£106.00
	Drain Clearance - 9:00am - 5:00am	Discretionary	per hour + vat	£100.00	£100.00
	Drain Clearance - outside normal hours	Discretionary	per hour + vat	£203.00	£203.00
	Preparation & site induction for mechanical sweeping & cesspit emptying where required	Discretionary	actual costs +10%	actual costs +10%	actual costs +10%
	Professional Fee's - Engineering	Discretionary	Per hour	£152.55	£155.00
	Recycling	Discretionary	Per ton per material	Determined individually	Determined individually
HIGHWAYS LICENCES, PERMITS AND SERVICES					
	Licensing of builders' skips placed on the highway	Discretionary	Licence	£24.00	£24.50
	Licensing of builder's skips placed on the highway - retrospective licence	Discretionary	Licence	£82.00	£83.00
	Licence charge for scaffolding and other structures on highways (Fixed)	Discretionary	First week	£192.00	£195.00
	Licence charge for scaffolding and other structures on highways (Fixed)	Discretionary	Subsequent weeks	£69.00	£70.00
	Licence charge for scaffolding and other structures on highways (Mobile)	Discretionary	Licence	£56.00	£57.00
	Licensing of builder's materials deposited on the highway	Discretionary	Licence	£12.00	£12.50
	License to dispense with erection of a hoarding	Discretionary	Licence	£83.00	£84.00
	Site inspections to monitor compliance with duties relating to the erection of hoardings	Discretionary	Licence	£53.00	£54.00
	Section 50 license to instal private apparatus in the highway	Discretionary	Licence	£440.00	£445.00
	Retrospective Section 50 Licence	Discretionary	Licence	£520.00	£527.00
	Various licences to make openings in the street or footway for constructing works, cellars or the admission of light into premises	Discretionary	Licence	£195.00	£198.00
	Section 171 licence to carry out highways works	Discretionary	Licence	£202.00	£205.00
	Additional Fee for retrospective issues of section 171 or 184 notice	Discretionary	Licence	£79.00	£80.00
	License to construct a vehicle crossing - use of private contractors	Discretionary	Licence	£201.00	£204.00
	License to construct a vehicle crossing - use of BMBC Engineering Services or private contractors	Discretionary	Licence	£69.00	£70.00
	Clearance of accident debris	Discretionary	Actual costs +10%	Actual costs +10%	Actual costs +10%
	NEW Recovery of costs following accident / call out	Discretionary	Actual Costs	Actual costs	
	Road Closure Orders (Planned)	Discretionary	Road Closure Order	£1,013.00	£1,025.00
	Road Closure Notice (Emergency)	Discretionary	Road Closure Notice	£742.00	£752.00

HIGHWAYS LICENCES, PERMITS AND SERVICES CONTINUED					
	Road Closure to the benefit of the highway authority carried out by a third party on a not for profit basis	Discretionary	Road Closure	£206.00	£206.00
	Road Closure Order (Special Events)	Discretionary	Road Closure Order	£1,013.00	£1,025.00
	Application for a traffic sign to specified land or premises (permanent)	Discretionary	Application	£52.00	£53.00
	Application for a traffic sign to specified land or premises (temporary)	Discretionary	Application	£54.00	£55.00
	Placing of traffic sign for specified land or premises	Discretionary			
	Pavement café licences	Discretionary	Licence	£452.00	£458.00
	Consideration of applications for consent for overhead beams, Rails, wires, banners etc above the highway	Discretionary	Application	£100.00	£101.00
	Licence to Oversail the Highway with Tower Cranes etc	Discretionary	Licence	£95.00	£96.00
	Consideration of applications to buildings, structures, balconies etc over the highway	Discretionary	Application	£618.00	£625.00
	Licence to non-Statutory Undertakers to place and maintain apparatus in the Highway (New Roads and Street works Act)	Discretionary	Licence	£452.00	£458.00
	Charges for Demolition Notices	Discretionary	Demolition Notice	£300.00	£304.00
	Penalty charges to Statutory Undertakers for exceeding permitted licence to occupy the Highway (Section 74 New Roads and Street works Act)	Discretionary	Variable	Variable	Variable
	Bus lane enforcement	Discretionary	Per enfraction	£60.00	£61.00
	Increased Highways Act enforcement	Discretionary	Actual costs to clear the highway	Actual costs	Actual costs
	Weekly Inspection of scaffolding and hording	Discretionary	Inspection	£69.00	£70.00
	Retrospective Licenses for S184, S50 & Scaffold licenses would incur a charge of £80 additional to the normal license fee.	Discretionary	Licence	£80.00	£81.00
	Road Closure Orders (Planned) PROW Initial fee - dependant on dwelling numbers, sliding scale for more than 1 dwelling	Discretionary	Road closure order	£535.00	£542.00
	Road Closure Orders (Planned) PROW weekly fee	Discretionary	Road closure order	£100.00	£101.00
	Road Closure Orders (Planned) PROW Extension	Discretionary	Road closure order	£268.00	£271.00
	Road Closure Notice (Emergency) PROW	Discretionary	Road closure order	£268.00	£271.00
	Public Path Orders (Diversion Orders)	Discretionary	Dependant on dwelling numbers, sliding scale for more than 1 dwelling	minimum £3,296, maximum £5,665	minimum £3,296, maximum £5,665
	Pavement café licences (continuation fee)	Discretionary	Licence	£225.00	£228.00
	Water Course Consenting	Discretionary	Per Consent	£50.00	£50.00
	Section 81 Demolition Notices under the Building Act	Discretionary	per demolition notice	£300.00	£304.00
	Status Enquiries	Discretionary	per status enquiry	£61.00	£62.00
	Status Enquiries incl Highways DC	Discretionary	per status enquiry	£88.00	£89.00
	Traffic Signals Only Application	Discretionary	Per application	£0.00	£70.00
	Permit scheme: Provisional Advance Authorisation on Road categories 0, 1, 2 or Traffic sensitive	Statutory	Application	£86.00	£101.00
	Permit scheme: Major Works permit on Road categories 0, 1, 2 or Traffic sensitive	Statutory	Application	£168.00	£197.00
	Permit scheme: Standard Activity permit on Road categories 0, 1, 2 or Traffic sensitive	Statutory	Application	£96.00	£112.00
	Permit scheme: Minor Activity Permit on Road categories 0, 1, 2 or Traffic sensitive	Statutory	Application	£52.00	£61.00
	Permit scheme: Immediate Activity Permit on Road categories 0, 1, 2 or Traffic sensitive	Statutory	Application	£45.00	£53.00
	Permit scheme: Provisional Advance Authorisation on Road categories 3, 4 and Non-traffic sensitive	Statutory	Application	£58.00	£68.00
	Permit scheme: Major Works permit on Road categories 3, 4 and Non-traffic sensitive	Statutory	Application	£122.00	£143.00
	Permit scheme: Standard Activity permit on Road categories 3, 4 and Non-traffic sensitive	Statutory	Application	£74.00	£75.00
	Permit scheme: Minor Activity Permit on Road categories 3, 4 and Non-traffic sensitive	Statutory	Application	£45.00	£45.00
	Permit scheme: Immediate Activity Permit on Road categories 3, 4 and Non-traffic sensitive	Statutory	Application	£37.00	£40.00
RESIDENT PARKING ZONES					
	Residents - First Permit	Discretionary	Residents - First Permit	£25.00	£25.00
	Residents - Second Permit	Discretionary	Residents - Second Permit	£50.00	£50.00
	Business - First Permit	Discretionary	Business - First Permit	£37.50	£37.50
	Business - Second Permit	Discretionary	Business - Second Permit	£75.00	£75.00
CAR PARKING					
	Off Street Parking				
	Market Gate; Pontefract Road	Discretionary	available seperately	available seperately	available seperately
	Lambra Rd	Discretionary	available seperately	available seperately	available seperately
	Burleigh St, Joseph St, Pitt St	Discretionary	available seperately	available seperately	available seperately
	St Marys Place; Grahams Orchard	Discretionary	available seperately	available seperately	available seperately
	John St; Sackville St	Discretionary	available seperately	available seperately	available seperately
	Churchfield; County Way/Court House; Multi Storey; Mark Street	Discretionary	available seperately	available seperately	available seperately
	West Road Pogmoor	Discretionary	available seperately	available seperately	available seperately
	Wellington House	Discretionary	available seperately	available seperately	available seperately

CAR PARKING CONTINUED					
	On Street parking				
	Premium Parking	Discretionary	Per Hour	£1.00	£1.00
	Public Season Tickets	Discretionary	Per week	£22.00	£22.00
		Discretionary	Per month	£82.00	£82.00
		Discretionary	Per quarter	£230.00	£230.00
		Discretionary	Per year	£770.00	£770.00
	Staff Discounted Season Tickets	Discretionary	Staff Season Ticket (per month)	£17.50 to £35.00	£17.50 to £35.00
	Charges for Fixed Penalty Notices	Discretionary	Fixed Penalty Notice and depends on severity of offence	£50.00 or £70.00	£50.00 or £70.00
	Parking place suspension	Discretionary	Estimated loss of parking revenue plus 10% to cover administration costs	Determined individually	Determined individually
PEST CONTROL & DRAINAGE					
	Pest Control Fees (Owner occupiers, B Homes, Private contracts)	Discretionary			
	Rats & Mice (3 visits)	Discretionary	Rats & Mice (3 visits)	£109.00	£110.00
	Wasps, Bees, Flies Ants (1 visit)	Discretionary	Wasps, Bees, Flies Ants (1 visit)	£55.00	£56.00
	Fleas (1 visits)	Discretionary	Fleas (1 visits)	£99.50	£101.00
	Moles (3 visits)	Discretionary	Moles (3 visits)	£199.00	£201.00
	Cockroaches (2 visits)	Discretionary	Cockroaches (2 visits)	£199.00	£201.00
	Bed Bugs (2 visits)	Discretionary	Bed Bugs (2 visits)	£199.00	£201.00
	Squirrels (2 visits)	Discretionary	Squirrels (2 visits)	£199.00	£201.00
	Proofing premises for rodents	Discretionary	1 visit	£0.00	£22.00
	Others (per hour)	Discretionary	Others (per hour)	£65.00	£66.00
	Premium Upgrade	Discretionary	Premium Upgrade	£25.00	£25.00
	Call out fee	Discretionary	Call out fee	£30.00	£31.00
SPORTS					
	Passport to Leisure	Discretionary	Per Annum	£5.00	£0.00
	Golf Course - Green Fees	Discretionary	Per Round - weekdays	£17.00	£18.00
	Golf Course - Green Fees	Discretionary	Per Round - weekends	£22.00	£23.00
	Golf Course - Green Fees	Discretionary	Season Ticket (per annum)	£660.00	£673.00
BEREAVEMENT SERVICES					
	Purchase of right of burial in grave(dug for 2 only)	Discretionary	per burial / cremation	£933.00	£950.00
	Prew Purchase of right of burial in grave(dug for 2 only)	Discretionary	per burial / cremation	£1,035.00	£1,050.00
	Renew EROB for 50 years	Discretionary	per burial / cremation	£204.00	£210.00
	Interment fee	Discretionary	per burial / cremation	£906.00	£921.00
	Additional excavation charge for coffins exceeding 6'6" x 26"	Discretionary	per burial / cremation	£51.00	£55.00
	Additional grave space (for 3)	Discretionary	per burial / cremation	£245.00	£245.00
	Test dig grave	Discretionary	per burial / cremation	£100.00	£100.00
	Purchase of right of burial 4'6" x 2' (Childs grave for 1)	Discretionary	per burial / cremation	£250.00	£253.00
	Interment fee upto 18 yrs	Discretionary	per burial / cremation	£260.00	£263.00
	Cremation of a child upto 18 yrs	Discretionary	per burial / cremation	£250.00	£253.00
	Delivery charge to a cemetery	Discretionary	per burial / cremation	£23.00	£25.00
	Interment fee All caskets or urns containing ashes - 2ft depth in grave	Discretionary	per burial / cremation	£199.00	£205.00
	Interment fee All caskets or urns containing ashes - full depth ingrave	Discretionary	per burial / cremation	£505.00	£505.00
	Interment Fee All caskets or urns containing ashes - cremation plots	Discretionary	per burial / cremation	£199.00	£205.00
	Exhumation fee of cremated remains (from a cemetery)	Discretionary	per burial / cremation	£230.00	£230.00
	purchase of a cremation plot	Discretionary	per burial / cremation	£367.00	£375.00
	Prepurchase of a cremation plot	Discretionary	per burial / cremation	£468.00	£475.00
	Vaulting All graves 9' x 4' - full depth	Discretionary	per burial / cremation	£245.00	£245.00
	Vaulting All graves 9' x 4' - to height of coffin	Discretionary	per burial / cremation	£50.00	£50.00
	Vaulting All graves 4'6" x 2' - full depth	Discretionary	per burial / cremation	£93.00	£93.00
	Vaulting All graves 4'6" x 2' - to height of coffin	Discretionary	per burial / cremation	£35.00	£35.00
	Flagging of graves	Discretionary	per burial / cremation	£110.00	£110.00
	Headstone inc. Inscription, flower holders & photo illustrations	Discretionary	per burial / cremation	£230.00	£230.00
	Each additional inscription plus inspection	Discretionary	per burial / cremation	£61.00	£62.00
	Additional memorial vase	Discretionary	per burial / cremation	£62.00	£62.00
	Kerbstones (where permitted)	Discretionary	per burial / cremation	£185.00	£185.00
	Tablets inc. into kerb sets 18" x 18"	Discretionary	per burial / cremation	£125.00	£127.00
	Childrens headstone	Discretionary	per burial / cremation	£80.00	£82.00
	Childrens Kerbs	Discretionary	per burial / cremation	£80.00	£82.00
	Cremation (strewn)	Discretionary	per burial / cremation	£780.00	£790.00
	Double cremations (for second cremation)	Discretionary	per burial / cremation	£360.00	£360.00
	Medical referee fee	Discretionary	per burial / cremation	£20.00	£20.00
	Environmental levy Mercury abatement	Discretionary	per burial / cremation	£37.00	£40.00
	Direct Cremation	Discretionary	per burial / cremation	£395.00	£395.00
	Foetal Urn	Discretionary	per burial / cremation	£20.00	£20.00
	Card foetal urn	Discretionary	per burial / cremation	£5.00	£5.00
	Child or Baby urns inc. wooden baby urns	Discretionary	per burial / cremation	£20.00	£20.00
	Plastic urns	Discretionary	per burial / cremation	£20.00	£20.00
	Wooden casket	Discretionary	per burial / cremation	£50.00	£50.00
	Adult casrdboard	Discretionary	per burial / cremation	£20.00	£20.00
	Interment of cremated remains	Discretionary	per burial / cremation	£97.00	£97.00
	Postage of ashes	Discretionary	per burial / cremation	£35.00	£35.00
	Disinter cremated remains from the crematorium grounds	Discretionary	per burial / cremation	£120.00	£120.00
	Cancellation fee	Discretionary	per burial / cremation	£26.00	£26.00
	Usage of chapel facilities for additional half hour	Discretionary	per burial / cremation	£83.00	£83.00
	Usage of chapel facilities for additional half hour or part thereof without p	Discretionary	per burial / cremation	£166.00	£166.00
	Handling charge for non crematorium supplied Urns	Discretionary	per burial / cremation	£20.00	£20.00
	Book of remembrance 2 line entry	Discretionary	per burial / cremation	£82.00	£82.00
	Book of Remembrance 5 line entry	Discretionary	per burial / cremation	£145.00	£145.00
	Book of remembrance 8 line entry	Discretionary	per burial / cremation	£199.00	£199.00
	Any flower - only available with 5 or 8 line	Discretionary	per burial / cremation	£113.00	£113.00
	Any other memorial design - entries in book of remembrance	Discretionary	per burial / cremation	£145.00	£145.00
	Rose bush & plaque for 5 years (100mm x 55mm)	Discretionary	per burial / cremation	£160.00	£160.00
	Rose standard & plaque for 5 years (100mm x 55mm)	Discretionary	per burial / cremation	£185.00	£185.00
	Renew rose bush and plaque for 5 years	Discretionary	per burial / cremation	£99.00	£99.00
	Renew rose standard and plaque for 5 years	Discretionary	per burial / cremation	£128.00	£128.00
	Additional/joint plaque to existing rose (100mm x 55mm)	Discretionary	per burial / cremation	£69.00	£69.00

BEREAVEMENT SERVICES CONTINUED					
Bronze plaque for 25 yrs (175mm x 67mm)	Discretionary	per burial / cremation	£296.00	£296.00	
Renew bronze plaque for 25 years	Discretionary	per burial / cremation	£170.00	£170.00	
Replace bronze plaque with joint within first 10 years of lease period	Discretionary	per burial / cremation	£220.00	£220.00	
Bronze joint plaque for 25 yrs (175mm x 67mm)	Discretionary	per burial / cremation	£296.00	£296.00	
Marble plaque for 10 yrs (195mm x 147mm)	Discretionary	per burial / cremation	£380.00	£380.00	
Replace marble plaque	Discretionary	per burial / cremation	£323.00	£323.00	
Extra posy holder for marble plaque	Discretionary	per burial / cremation	£5.00	£5.00	
Renew marble with joint within first 5 years	Discretionary	per burial / cremation	£280.00	£280.00	
Renew marble	Discretionary	per burial / cremation	£222.00	£222.00	
Planter plaque for 10 yrs	Discretionary	per burial / cremation	£360.00	£360.00	
Renew Planter plaque with joint within first 5 years	Discretionary	per burial / cremation	£310.00	£310.00	
replace planter plaque with joint	Discretionary	per burial / cremation	£360.00	£360.00	
Picture or emblem	Discretionary	per burial / cremation	£110.00	£110.00	
Memorial tree plaque for 15 yrs (151mm x 100mm)	Discretionary	per burial / cremation	£265.00	£265.00	
Additional tree plaque to existing tree	Discretionary	per burial / cremation	£95.00	£95.00	
Renew memorial tree and plaque for 15 years	Discretionary	per burial / cremation	£160.00	£160.00	
Marble plaque baby memorial (295mm x 105mm)	Discretionary	per burial / cremation	£260.00	£260.00	
Penistone & Thurnscoe cemetery plaques (perpetuity 175mm x 67mm)	Discretionary	per burial / cremation	£280.00	£280.00	
Donation of railing for Wombwell cemetery	Discretionary	per burial / cremation	£400.00	£400.00	
Plaque for Garden seat (at home)	Discretionary	per burial / cremation	£60.00	£60.00	
Wombwell railing plaque	Discretionary	per burial / cremation	£60.00	£60.00	
baby memorial plaque Thurnscoe & Wombwell	Discretionary	per burial / cremation	£60.00	£60.00	
Sanctum 2000 15 years	Discretionary	per burial / cremation	£660.00	£660.00	
Renew sanctum 2000 10 years	Discretionary	per burial / cremation	£440.00	£440.00	
Hoyland New niche for 25 yrs	Discretionary	per burial / cremation	£137.00	£137.00	
Hoyland Re-open niche	Discretionary	per burial / cremation	£105.00	£105.00	
Hoyland Memorial plaque for 25 yrs (123mm x 73mm)	Discretionary	per burial / cremation	£141.00	£141.00	
Renew Hoyland columbrium niche for 25yrs	Discretionary	per burial / cremation	£90.00	£90.00	
Hoyland Renew wall plaque for 25 yrs	Discretionary	per burial / cremation	£90.00	£90.00	
Memorial seat plaque for 15 yrs (200mm x 63mm)	Discretionary	per burial / cremation	£265.00	£265.00	
Renew memorial seat plaque for 15 yrs	Discretionary	per burial / cremation	£162.00	£162.00	
Extra plaque for garden seat	Discretionary	per burial / cremation	£55.00	£55.00	
Pet Cremation Fees					
Scatter Tube	Discretionary				
Rabbits & Small Pets	Discretionary		£45.00	£60.00	
Cat	Discretionary		£0.00	£80.00	
Small Dog	Discretionary		£96.00	£110.00	
Medium Sized Dog	Discretionary		£150.00	£150.00	
Large Dog	Discretionary		£180.00	£180.00	
Collect & Delivery	Discretionary		£0.00	£30.00	
Wooden Casket	Discretionary		£0.00	£30.00	
Same Day Cremation additional Charge	Discretionary		£0.00	£30.00	
PARKS SERVICES					
Fairs & Circuses	Discretionary		£205.00	£205.00	
Grange Lane	Discretionary		£415.00	£415.00	
Playground Inspections - Yearly	Discretionary	Per Inspection	£50.00	£50.00	
Playground Inspections - Bi Monthly	Discretionary	Per Inspection	£50.00	£50.00	
Football Pitch Adult	Discretionary	Per Season	£407.00	£407.00	
Football Pitch Junior	Discretionary	Per Season	£211.00	£211.00	
Football Cat A Adult	Discretionary	Per Season	£572.00	£572.00	
Football Cat A Junior	Discretionary	Per Season	£294.00	£294.00	
Football Cat B Adult	Discretionary	Per Season	£520.00	£520.00	
Football Cat B Junior	Discretionary	Per Season	£273.00	£273.00	
Football Cat C Adult	Discretionary	Per Season	£469.00	£469.00	
Football Cat C Junior	Discretionary	Per Season	£242.00	£242.00	
Mini Soccer	Discretionary	Per Season	£140.00	£140.00	
Cricket Pitch Rent Income	Discretionary	Per Season	£0.00	£0.00	

ADULTS & COMMUNITIES					
Adult & Wellbeing					
ADULT ASSESSMENT AND CARE MANAGEMENT					
	Client Care Contributions - covers charges made by service users eligible for social care support towards their assessed care costs (residential, nursing and community based care e.g. homecare).	Discretionary	Fees based on ability to pay	Determined individually	Determined individually
	Community based support: Shared Lives	Discretionary	Board Payment per week	£50	£50
		Discretionary	HB claim payment per week	£51.50	£51.50
Provider Services					
Day Services					
	Lunch (At Day Centre)	Discretionary	Per meal	£3.00	£3.00
Assisted Living Technology					
	Assisted Living Careline - Base Price	Discretionary		Various Charges	Various Charges
	Peripheral Equipment	Discretionary		Various Charges	Various Charges
SAFER, STRONGER & HEALTHIER COMMUNITIES					
Safer Communities					
	Abandoned vehicle	Statutory		£200.00	£200.00
	Depositing litter	Statutory		£100.00	£100.00
	Graffiti	Statutory		£100.00	£100.00
	Flyposting	Statutory		£100.00	£100.00
	Parking Fixed Penalty Notices	Discretionary		£50.00	£50.00
	Works in Default	Discretionary	Charged @ Cost	Determined individually	Determined individually

CHILDRENS DIRECTORATE					
EDUCATION & EARLY START PREVENTION					
	Education Welfare				
	EWO Buy Back for maintained schools / academies	Discretionary	Per Hour (Plus VAT where applicable)	£31.00	£31.00
	School Workforce Modernisation				
	Tuition Fees - Governor Development (with buy back)	Discretionary	Per Governor	£65.00	£65.00
	Tuition Fees - Governor Development (outside buy back)	Discretionary	Per Governor	£50.00	£50.00
	School Organisation & Governance				
	Governor Clerking for schools - full service - Primary	Discretionary	Per annum	£1,583.11	£1,583.11
	Governor Clerking for schools - partial service - Primary	Discretionary	Per annum	£1,390.50	£1,390.50
	Governor Clerking for schools - additional committee service - Primary	Discretionary	Per meeting	£121.54	£121.54
	Additional FGB - Primary	Discretionary	Per meeting	£188.49	£188.49
	Governor Clerking for schools - full secondary service	Discretionary	Per annum	£1,927.13	£1,927.13
	Governor Clerking for schools - partial service - Secondary	Discretionary	Per annum	£1,736.58	£1,736.58
	Governor Clerking for schools - additional committee service - Secondary	Discretionary	Per meeting	£146.26	£146.26
	Additional FGB - Secondary	Discretionary	Per meeting	£226.60	£226.60
	Confidential Meetings	Discretionary	Per meeting	£189.52	£189.52
	Bespoke Service	Discretionary	Per annum	£769.41	£769.41
	Admission services (Academy)	Discretionary	Charge per pupil	£0.46	£0.46
	Appeals - panel member cost	Discretionary	Per half day	£50.00	£50.00
	Appeal hearing	Discretionary	Per Full day	£357.00	£357.00
	Outdoor Education				
	Educational Visits & Journeys (Academies, VA and Trust Schools)	Discretionary	Per Acad/VA/trust school: Negotiated fee starting from	£299.00	£299.00
			Variable fee - pp on roll	£1.00	£1.00
	Education Psychology				
	Schools: Additional provision	Discretionary	Minimum per day (under contract)	£510.00	£510.00
			Maximum per day (under contract)	£550.00	£550.00
			Maximum per day on adhoc basis	£650.00	£650.00
CHILDREN ASSESSMENT AND CARE MANAGEMENT					
	Safeguarding				
	Multi-agency child protection and safeguarding training - academies		Per person for non attendance at training courses and not cancelling within the agreement of the Cancellation Policy	£75.00	£75.00
	Newsome Avenue Respite Care				
	Daycare - Overnight stays for Children with Disabilities from other Authorities	Discretionary	Respite care per night	£460.00	£475.00

PUBLIC HEALTH					
ENVIRONMENTAL AND TRADING STANDARDS					
	Pollution Control				
	Environmental Searches	Discretionary	Hourly rate	Variable	Variable
	Misc Fees & Charges	Discretionary	Various	Variable	Variable
	PPC Permits				
		Statutory	Based on annual risk assessment		
	Part 1 permit		Low risk	£79.00	£79.00
			Medium risk	£158.00	£158.00
			High risk	£237.00	£237.00
	PVR Stage 2		Low risk	£113.00	£113.00
			Medium risk	£226.00	£226.00
			High risk	£341.00	£341.00
	Part 2 Permit		Low risk	£228.00	£228.00
			Medium risk	£365.00	£365.00
			High risk	£548.00	£548.00
	Part B Permit		Low risk	£771.00	£771.00
			Medium risk	£1161.00	£1161.00
			High risk	£1747.00	£1747.00
	A2 Permit		Low risk	£1343.00	£1343.00
			Medium risk	£1507.00	£1507.00
			High risk	£2230.00	£2230.00
	Local Site Operator Contracts	Discretionary	Tendered contract	Determined individually	Determined individually
	Trading Standards				
	Stamping Fees	Discretionary	Hourly rate	Variable	Variable
	Second Hand Dealer Registration	Discretionary	Per registration	£17.50	£17.50
	Food Hygiene				
	Reinspection Charge	Discretionary	Per inspection	£185.00	£187.00
	Issuing of Export Certificate (no visit required)	Discretionary	Per certificate	£127.70	£129.00
	Issuing of Export Certificate (visit required)	Discretionary	Hourly rate	Variable	Variable
	Health and Safety				
	Skin Piercing Registrations (eg Tattooing, Acupuncture, Ear Piercing etc)	Discretionary	Per registration	£108.00	£109.00
ANIMAL WELFARE					
	Dog Warden Fees				
	Dog Release Fee	Statutory	Per dog (plus rechargeable vets fees)	£50.00	£50.00
	Dog Release Kennelling Fee	Discretionary	Per dog (daily fee)	£15.00	£15.00
	Dog Surrender Fee	Discretionary	Per dog	£100.00	£101.00
	Animal Health - Licence Fees				
	Home Dog Boarders	Statutory	Per licence	£256.00	£258.50
	Performing Animals	Statutory	Per licence	£149.00	£150.50
	Dangerous Wild Animals (+ vets fees)	Statutory	Per licence (plus rechargeable vets fees)	£109.00	£110.00
	Dog Day Care (Low Volume)	Statutory	Per licence	£256.00	£258.50
	Dog Day Care (High Volume)	Statutory	Per licence	£355.00	£358.50
	Dog Breeders	Statutory	Per licence	£285.00	£288.00
	Pet Shops	Statutory	Per licence	£315.00	£318.00
	Boarding Kennels (Dogs / Cats)	Statutory	Per licence	£256.00	£258.50
	Greyhound Racing Track	Statutory	Per licence	£141.50	£143.00
	Hiring out of Horses (+ vets fees)	Statutory	Per licence (plus rechargeable vets fees)	£275.00	£278.00
	Zoo (+ vets fees)	Statutory	Per licence (plus rechargeable vets fees)	£585.00	£591.00

CORE SERVICES					
FINANCE					
	School Meals		Individual SLA for each school based on requirements	Determined individually	Determined individually
	Summons	Statutory	Per Order	£28.00	£28.00
	Benefits/Taxation - Liability Order	Statutory	Per Summons	£52.00	£52.00
	Benefits/Taxation - Late Payment of Commercial Debts (Interest) Act 1998	Discretionary		Ceased charging	Ceased charging
	Prompt Payment Discount Scheme	Discretionary	Individual agreements with companies	Determined individually	Determined individually
	Court of Protection Fees	Discretionary	Application	£745.00	£745.00
	Court of Protection Fees	Discretionary	Year 1 Management Fee	£775.00	£775.00
	Court of Protection Fees	Discretionary	Year 2 management Fee	£650.00	£650.00
	Court of Protection Fees	Discretionary	Management fee (assets <£16k)	3.5% of asset value	3.5% of asset value
	Court of Protection Fees	Discretionary	Annual property management fee	£300.00	£300.00
	Court of Protection Fees	Discretionary	Prep of OPG reports	£216.00	£216.00
	Payroll for schools - maintained schools	Discretionary	Per payslip	£4.60	£4.65
	Payroll for schools - academies	Discretionary	Per payslip	£5.61	£5.67
	DPA Associated Administration Costs	Discretionary	Per DPA	£561.00	£561.00
	Property Valuation	Discretionary	Per DPA	£408.00	£408.00
	Redemption Fee	Discretionary	Per DPA	£102.00	£102.00
	Unregistered Property	Discretionary	Per DPA (Case dependent)	£255.00	£255.00
	Annual Finance Admin Cost	Discretionary	Per DPA	£51.00	£51.00
	BACS service for Rotherham	Discretionary	Per BACS File	£2.50	£2.50
	BACS service for Sheffield	Discretionary	Per BACS File	£5.00	£5.00
	BACS service for South Derbyshire	Discretionary	Per BACS File	£5.00	£5.00
	Free school meals eligibility checking (Academy)	Discretionary		£160 (primary schools) £270 (secondary schools) plus £5.50 per eligible student	£160 (primary schools) £270 (secondary schools) plus £5.50 per eligible student
	Procurement support to External Bodies (Category Manager)	Discretionary	Per hour	£54.06	£54.06
	Procurement support to External Bodies (Category Manager)	Discretionary	Per day	£400.00	£400.00
	Procurement support to External Bodies (Procurement Officer)	Discretionary	Per hour	£34.24	£34.24
	Procurement support to External Bodies (Procurement Officer)	Discretionary	Per day	£253.37	£253.37
	Internal Audit - Support to External Bodies	Discretionary	Per day - minimum	£285.00	£285.00
REGISTRARS					
	General Search	Statutory	General Search	£18.00	£18.00
	Certificates	Statutory	Per certificate	£11.00	£11.00
	Marriages (Register Office)	Statutory	Marriages (Register Office)	£46.00	£46.00
	Marriages / Ceremonies (Ceremony Suite):				
	- Monday - Thursday	Discretionary	Per Ceremony	£118.00	£119.00
	- Friday	Discretionary	Per Ceremony	£140.00	£141.00
	- Saturday	Discretionary	Per Ceremony	£170.00	£172.00
	Marriages (Approved Premises)				
	- Monday - Thursday	Discretionary	Per Ceremony	£320.00	£323.00
	- Friday	Discretionary	Per Ceremony	£362.00	£366.00
	- Saturday	Discretionary	Per Ceremony	£462.00	£467.00
	- Sunday	Discretionary	Per Ceremony	£470.00	£475.00
	- Bank Holiday	Discretionary	Per Ceremony	£470.00	£475.00
	Non Stat Ceremony (Naming/Renewal of vows)	Discretionary	Per Ceremony	£170.00	£172.00
		Discretionary	Per day - maximum	£333.00	£336.00
DBS CHECKS / HUMAN RESOURCES / PERFORMANCE SERVICES					
	Recruitment - DBS checks for Schools	Discretionary	Per check	£49.95	£49.95
	Recruitment - DBS checks Taxi Drivers	Discretionary	Per check	£60.00	£60.00
	Recruitment - DBS checks for BMBC Internal (cost centre)	Discretionary	Per check	£44.40	£44.40
	Recruitment - DBS checks for External Customers (Umbrellas)	Discretionary	Per Check	*£40 + Admin Fee	*£40 + Admin Fee
	Recruitment - DBS checks for civil enforcement	Discretionary	Per check	£25.60	£25.60
	Occupational Health - Pre-Employment Checks: Engage	Discretionary	Per check	£16.25	£16.25
	Occupational Health - Pre-Employment Checks: Nurse follow-up	Discretionary	Per check	£33.53	£33.53
	Recruitment - online advertising Internal	Discretionary	Per Advert	£115.00	£115.00
	Recruitment - online advertising External	Discretionary	Per Advert	Various rates	Various rates
	Recruitment - NS1 Form check	Discretionary	Per Check	£35.00	£35.00
	Recruitment - VC01 Form check	Discretionary	Per Check	£17.50	£17.50
	Recruitment - Barred List / Dfe check	Discretionary	Per Check	£6.00	£6.00
	Barnsley HR Services - Provision of HR Services	Discretionary	Per employee - fixed fee	£129.00	£129.00
	Barnsley HR Services - Provision of HR Services	Discretionary	Per hour	£77.00	£77.00
	Health and Safety - Provision of health and safety services	Discretionary	Per hour. Fixed fee	£80.00	£80.88
	Health and Safety - Training Courses	Discretionary	Per delegate	£100.00	£101.10
	Research and Business Intelligence	Discretionary	Per SLA	Determined individually	Determined individually
	OWI - Assessment Centre Qualification Fees	Discretionary	Per qualification: based on total cost of qualification	Determined individually	Determined individually
	OWI - Workforce Development - Training Fees	Discretionary	Per qualification: based on total cost of qualification	Determined individually	Determined individually
LEGAL, ELECTIONS & GOVERNANCE					
	Land Charge Searches - Various Types	Statutory	Dependant on type of Search	Determined individually	Determined individually
ENTERTAINMENT LICENCES					
	Licence Fees - Premises, Alcohol & Gambling	Statutory	Per establishment	Variable. Dependent on premises RV	Variable. Dependent on premises RV
	Licence Fees - Premises, sex establishments				
	New application	Statutory	Per establishment	£234.00	£234.00
	Renewal	Statutory	Per establishment	£112.00	£112.00
	Variation	Statutory	Per establishment	£234.00	£234.00
	Transfer	Statutory	Per establishment	£34.00	£34.00
	Pre-application checking service	Discretionary	Per licence application	TBC	TBC
HACKNEY CARRIAGE LICENCES					
	Private hire vehicle	Statutory	Per licence application	£164.00	£164.00
	A Hackney Carriage vehicle	Statutory	Per licence application	£164.00	£164.00
	A 12 month driver licence	Statutory	Per licence application	£137.00	£137.00
	A 3 year driver licence	Statutory	Per licence application	£221.00	£221.00
	An Operator licence (1 year)	Statutory	Per licence application	£63.00	£63.00

	An Operator licence (1 year)	Statutory	Per licence application	£127.00	£127.00
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BARNSELY METROPOLITAN BOROUGH COUNCIL

2021/22 BUDGET RECOMMENDATIONS

1. 2021/22 Revenue Budget, Capital Programme and Council Tax

- 1.1 Further to previous reports submitted by the Executive Director of Core Services and Service Director Finance (S151 Officer).

RECOMMENDED:

- i) that Cabinet are recommended:
- a) that the report of the Service Director Finance (S151 Officer), under **section 25 of the Local Government Act 2003 at Section 1** be noted, that the 21/22 budget proposals be agreed and that the Chief Executive and Senior Management Team (SMT), in consultation with Cabinet Spokespersons, submit, for early consideration, detailed plans from 'Our Be Even Better Strategy' that ensure the Council's ongoing financial sustainability in 22/23 and beyond.
 - b) that the revised Medium Term Financial Strategy (MTFS) and Budget Forecast for 21/22 to 23/24 contained at **Section 3** (supported by the suite of background papers in **Sections 3a – 3f**) be noted and monitored as part of the arrangements for the delivery of the MTFS.
 - c) that the specific ongoing investment in relation to the Glassworks and the resources set aside to address the anticipated ongoing service pressures caused by COVID 19 highlighted in **Section 2** are considered and approved.
 - d) that the proposed efficiency savings in 21/22 highlighted in **Section 3** and detailed at **Section 5a** be approved for implementation and that the 22/24 efficiency savings stemming from 'Our Be Even Better Strategy' at **Section 5b** be noted with final approval to take place as part of the 22/23 budget setting process.
 - e) that the £12.7M of one-off resources identified following the 21/22 local government finance settlement highlighted in **Section 3** be set aside to support the ongoing COVID recovery and to provide additional financial resilience to deal with any challenges posed by the UK's exit from the European Union.
 - f) that the Council's updated reserves position at **Section 3c** be noted.
 - g) that the Capital Investment Strategy at **Section 3d** be approved.
 - h) that the proposed changes to the 21/22 fees and charges policy and accompanying schedule of charges set out at **Section 3f** be approved.
 - i) to submit to Council for approval the cash limited budgets for each service with overall net expenditure for 21/22 of £186.2M as highlighted in **Section 6a**.
 - j) to consider the budgets for all services and approve, for submission into Council, the 21/22 – 23/24 budget proposals presented at **Sections 6a – 6c**, subject to

Cabinet receiving detailed implementation reports where appropriate.

- k) to consider and approve the changes to the schools funding formula including the transfer of funding from the schools block to the high needs block and approve the proposed 21/22 schools block budget as set out at **Section 6d**.
- l) that the capital investment schemes totalling £6.8M (**Section 7 Appendix 1**), be included within the capital programme and released subject to receiving further detailed business cases where appropriate.
- m) to note the capital investment proposals of £116.6M (**Section 7 Appendix 2**) which are currently the subject of live external funding bids / specific Government announcements and thereafter to receive regular updates on their progress.
- n) that the capital investment proposals totalling £96.4M (**Section 7 Appendix 3**) be progressed for further detailed feasibility work / business case development.
- o) that the Aggregated Equality Impact Assessment (**Section 9**) of the budget proposals be noted and the proposed mitigation actions in the report be approved.
- p) that the Chief Executive and SMT, in consultation with Cabinet Spokespersons, be required to submit reports into Cabinet, as a matter of urgency, in relation to the detailed General Fund Revenue Budget for 21/22 on any further action required to achieve an appropriately balanced budget in addition to those proposals set out above.
- q) that the Chief Executive and SMT be responsible for managing their respective budgets including ensuring the implementation of all approved saving proposals.
- r) that the Authority's SMT be charged with ensuring that the budget remains in balance and report regularly into Cabinet on budget/ savings monitoring including any action required.
- s) that Cabinet and the Section 151 Officer be authorised to make any necessary technical adjustments to form the 21/22 budget.
- t) that appropriate consultation on the budget proposals takes place with the Trade Unions and representatives of Non-Domestic Ratepayers and that the views of consultees be considered by Cabinet and the Council.
- u) that the budget papers be submitted for the consideration of the full Council.

2. Council Tax 2021/22

RECOMMENDED:

- 2.1 that Cabinet note the contents of **Section 3b** (21/22 Council Tax options) and that:
- a) the Council Tax Collection Fund net surplus as at 31st March 2020 relating to BMBC of £3.2M be used to reduce the 21/22 Council Tax requirement, in line with statute.
 - b) the 21/22 Band D Council Tax increase for Barnsley MBC services be set at 2.90% (1.4% for core Council services and an additional 1.5% for the Chancellor's Adult Social Care precept).
 - c) the Band D Council Tax for Barnsley MBC's areas be determined following confirmation of the South Yorkshire Police and Crime Commissioner and South Yorkshire Fire Authority precepts for 21/22.
 - d) the Band D Council Tax for areas of the Borough with Parish / Town Councils be determined following confirmation of individual parish precepts for 21/22.
 - e) additional support be provided to all working age claimants of Local Council Tax Support in the form a flat payment of £125 per claimant.

3. Treasury Management Strategy & Policy Statement 2021/22

RECOMMENDED:

- 3.1 that Cabinet approve the 21/22 Treasury Management Strategy and Policy Statement (included in the main papers at **Section 3e**) and specifically:
- a) approve the 21/22 Treasury Management Policy Statement (**Section 3e Appendix A**).
 - b) approve the 21/22 Minimum Revenue Provision (MRP) Statement (**Section 3e Appendix B**).
 - c) approve the 21/22 Borrowing Strategy at **Section 3e** including the full suite of Prudential and Treasury Indicators (**Section 3e Appendix C**).
 - d) approve the 21/22 Annual Investment Strategy at **Section 3e**.

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BARNSLEY METROPOLITAN BOROUGH COUNCIL
2021 - 2022
SUMMARY Efficiency Proposals

Directorate	2021/22 Saving £
Adults and Communities	1,485,000
Children's Services	0
Place	827,000
Public Health	(290,000)
Core	968,000
Sub Total - Directorates	2,990,000
Organisational Wide	4,202,000
TOTAL	7,192,000

BARNSELY METROPOLITAN BOROUGH COUNCIL
2021/22 Efficiency Proposals
ADULTS AND COMMUNITIES DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTEs AFFECTED
<u>Adult Assessment and Care Management</u>				
BU2 E1/21-22	Increase in health funding and contributions for jointly funded care packages	The service continues to see a sustainable increase in the level of contributions from health (Barnsley Clinical Commissioning Group) for jointly funded care packages. This means we can revise our funding for care provision costs while still maintaining the high level of care for our residents.	500,000	-
BU2 E2/21-22	Revision in service user contributions (non-residential care provision)	An increase in financial contributions from services users towards the cost of non-residential care support (e.g. homecare) means we can revise our contribution costs for the services. This is because of changes towards contributions following the removal of the weekly cap of £150 and financial assessments with regards to disability or work related benefits.	500,000	-
Sub - Total Adult Assessment and Care Management			1,000,000	-

BARNSELEY METROPOLITAN BOROUGH COUNCIL
2021/22 Efficiency Proposals
ADULTS AND COMMUNITIES DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTEs AFFECTED
Customer Services				
BU7 E1/21-22	Budget realignment to reflect past activity levels	This is an extension of the proposal BU2 E1/20-21. As more of our service users have continued to choose use a variety of different services such as employment opportunities and independent travel, we're expecting that the usage of the existing Day Services to continue to fall. This proposal focusses on making sure we're delivering services that help people to live better, more independent lives, as well as improving the service for people with higher support needs and their families and carers. This will be shaped by the co-production approach to involve service users, families and carers, staff and stakeholders.	75,000	-
BU7 E2/21-22	Assisted Living Technology Income	Assisted Living Technology provide alarm units for which a maintenance charge or fee is made to service users. A review of the fees and charges took place in 2018/19, which resulted in an increase in charges by £1 per unit. This generated a recurrent surplus income of approx. £150,000 per annum. We'll look to realign the funding of the service by maximising the use of fees and charges in lieu of base budget funding.	150,000	-
BU7 E3/21-22	Disabled Facilities Grant funding to support equipment and minor adaptations	<p>The Disabled Facilities Grant (DFG) currently funds structural adaptations to the property of people who are eligible for adult social care. The DFG is funding provided to councils by the Ministry of Housing, Communities and Local Government.</p> <p>Our minor adaptations and provision of equipment is currently funded by our adult social care service budget and is delivered via a commissioned contract with South West Yorkshire Partnership Foundation Trust (£0.5m).</p> <p>We'll review the terms and conditions of the DFG funding to see if there's scope to fund the cost of providing equipment and minor adaptations from DFG instead of our adult social care service budget.</p> <p>It should be noted that the cost of the DFG team responsible for assessing eligibility and managing the capital works is capitalised and funded through the DFG. The grant has increased year on year by around 8% since 2017/18 which equates to over £200k per annum.</p>	200,000	-
Sub - Total Customer Services			425,000	-

BARNSELY METROPOLITAN BOROUGH COUNCIL
2021/22 Efficiency Proposals
ADULTS AND COMMUNITIES DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTEs AFFECTED
<u>Safer, Stronger and Healthier Communities</u>				
BU8 E1/21-22	Delivering services across the borough in more effective ways	We'll review all non-staffing budgets, looking at how we can get better value by delivering similar services at scale across the borough, and through purchasing in a more efficient and effective way. Each area of Stronger, Safer and Healthier Communities to achieve £20,000 of efficiency savings.	60,000	-
Sub - Total Safer, Stronger and Healthier			60,000	-
TOTAL ADULTS AND COMMUNITIES EFFICIENCIES			1,485,000	-

BARNSELY METROPOLITAN BOROUGH COUNCIL
2021/22 Efficiency Proposals
PLACE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTEs AFFECTED
<u>PLACE</u>				
	<u>Regeneration and Assets</u>			
BU4 E2/21-22	Planning advice income generation	This income has been generated by providing our residents pre-application planning advice (approx. £15K income) as well as fees associated with S278 and S38 agreements (approx. £35k).	50,000	-
BU4 E3/21-22	Restructuring of Employment and Skills service	We're planning a minor restructure in the Employment and Skills service, looking at how they provide their services efficiently to address existing pressures and release additional savings.	50,000	-
BU4 E4/21-22	Restructuring of Property Services	This is the second phase of the restructure following the completion of reviews of our town centre and district properties in 2020/21(ref to Investment in 20/21 BU4 I1/20-21).	50,000	1.00
BU4 E5/21-22	Benefits realised from investment into our key properties	The upgrade of heating and air conditioning in Westgate, Gateway Plaza, other key buildings will lead to savings on utility bills of around 10-15% for Westgate, Gateway and DMC.	50,000	-
Community Buildings Review	Review of our properties across the borough	We're reviewing our properties across the borough to look at what buildings are needed and whether they meet our needs. We're working together with other public sector partners in line with the "One Public Estate" strategy. The areas under consideration include Penistone, Cudworth, Wombwell and Goldthorpe.	150,000	-
Town Centre Buildings Review	Review of our town centre properties	We're reviewing our property/accommodation needs across the town centre. The review will consider the future use, demands and requirements of town centre properties and services occupying them. This will be delivered over a two year period 2020 to 2022 (total over period £600K).	242,000	-
<u>Sub - Total Regeneration and Assets</u>			592,000	1.00

BARNSELY METROPOLITAN BOROUGH COUNCIL
2021/22 Efficiency Proposals
PLACE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTEs AFFECTED
<u>Environment and Transport</u>				
BU6 E1/21-22	Fees and charges across environment and transport services to align with RPI	A general increase in fees and charges in line with Retail Price Index (RPI) across the service (excludes fees and charges set statutorily).	100,000	-
BU6 E2/21-22	Increase in Bereavement Services	Increases in bereavement volumes and services, and potentially fees and charges in line with RPI.	60,000	-
BU6 E4/21-22	Fees and charges across Construction Services to align with RPI	Based on the existing schedule for 2020/21, inflationary increase in Schedules of Rates in line with RPI.	75,000	-
Sub - Total Environment and Transport			235,000	-
TOTAL PLACE EFFICIENCIES			827,000	1.00

BARNSELY METROPOLITAN BOROUGH COUNCIL
2021/22 Efficiency Proposals
PUBLIC HEALTH DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTE's AFFECTED
<u>Public Health</u>	Investment to help and protect residents to live healthier lives	We're investing in preventative work to tackle underlying health conditions such as alcohol and tobacco and to improve the physical and mental health for Barnsley's residents. We're putting in additional investment to support health protection with prevention work and campaigns on areas such as childhood immunisations, cancer screening etc.	(48,000)	
	Investment in our Regulatory Services to support our response to the COVID19 pandemic	We're strengthening our capacity so we can effectively manage our response to the COVID19 pandemic. This includes resource for contact tracing and provision of advice, support to workplaces and hospitality settings. We're also building additional capacity and resources so we can effectively manage the anticipated pressures of the EU transition.	(242,000)	5.00
TOTAL PUBLIC HEALTH EFFICIENCIES			(290,000)	-

BARNSELY METROPOLITAN BOROUGH COUNCIL
2021/22 Efficiency Proposals
CORE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTEs AFFECTED
<u>IT</u>	Digital First programme to drive forward, and future proof, our IT services	This is an overarching theme following delivery of a programme of technology improvements which will reconfigure the IT service based on a hybrid cloud operating model and improved automation.	1,000,000	29.00
Sub - Total IT			1,000,000	29.00
<u>Business Improvement, Human Resources and Communications</u>				
BU14/15 E1/21-22	Business Improvement, HR and Communications minor restructure	Restructure focused on merging BU14 HR and BU15 Business Intelligence, Performance and Communications functions to Business Improvement, HR and Communications Service Director.	48,000	1.00
Sub - Total Business Improvement, Human Resources & Communications			48,000	1.00
<u>Legal Services</u>				
BU17 I1/21-22	Reinvestment in Legal Services to support demand	Reinvestment in Legal Services to support the increasing demand across the service.	-140,000	-2.00
Sub - Total Legal Services			-140,000	-2.00
<u>Joint Authorities</u>				
BU19 E1/21-22	Business Support Phase 2 Restructure	We're entering phase two of our review of Business Support need across the organisation, looking at reducing resource in areas following improvements in our IT services.	60,000	2.00
Sub - Total Joint Authorities			60,000	2.00
TOTAL CORE EFFICIENCIES			968,000	30

BARNSLEY METROPOLITAN BOROUGH COUNCIL
2021/22 Efficiency Proposals
ORGANISATIONAL WIDE PROPOSALS

Ref	Proposal Theme	Brief Description of Proposal	2021/22 Saving £	FTEs AFFECTED
Cross Cutting	Accessing lower cost financial instruments for the Glassworks scheme	Our current funding model assumes a 3.7% interest rate per annum annuity. We've made arrangements to secure this funding at a better rate nearer to 2.7%.	700,000	-
Cross Cutting	Housing Revenue Account (HRA) capital receipts / reduced General Fund debt costs	We're proposing to use HRA capital receipts (previously assumed to write down debt) to avoid future planned borrowing costs in the General Fund (FYE £0.500M).	300,000	-
Cross Cutting	Further savings on Pension Deficit	Our existing 2020/21 efficiencies already assume a £2.2M saving but there is the potential for a further saving if the current 'solvent' fund position is maintained.	1,400,000	-
Cross Cutting	Repayment of Transferred Services Debt	The transferred Services debt from the South Yorkshire Authority will be repaid in full in 2020/21.	1,802,000	-
TOTAL ORGANISATIONAL WIDE EFFICIENCIES			4,202,000	-

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BARNSELY METROPOLITAN BOROUGH COUNCIL

2022 - 2024

SUMMARY Efficiency Proposals

Directorate	Investment Required £	2022/23 Saving £	2023/24 Saving £	Full Year Effect £
Adults and Communities	0	100,000	1,250,000	1,350,000
Children's Services	(1,000,000)	200,000	170,000	370,000
Place	0	500,000	500,000	1,000,000
Public Health	0	0	0	0
Core	0	500,000	0	500,000
Organisational wide		1,000,000	500,000	1,500,000
TOTAL	(1,000,000)	2,300,000	2,420,000	4,720,000

BARNSELY METROPOLITAN BOROUGH COUNCIL
2022 - 2024 Efficiency Proposals
ADULTS AND COMMUNITIES DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	Investment Required £	2022/23 Saving £	2023/24 Saving £	Full Year Effect £
Adult Assessment and Care Management						
AC1 22-24	Re-design of the operational model of the Reablement Service	We'll develop and implement a revised operational delivery model for the Reablement service, embedding the Discharge to Assess requirements. This will provide people with a safe and effective discharge from hospital with a home first approach and prevent hospital admissions wherever possible.	-	-	200,000	200,000
AC2 22-24	Review of the Adult Social Care operating model	We'll develop an approach to adult social care designed around our Barnsley neighbourhoods, working with our partners to utilise community and digital resources .	-	-	1,000,000	1,000,000
AC3 22-24	Providing innovative support through our Shared Lives Service	We'll review the current Shared Lives Service to look at how we can provide innovative support that increases people's independence.	-	-	50,000	50,000
Sub - Total Adult Assessment and Care Management			0	0	1,250,000	1,250,000
Adults and Communities Cross cutting proposals						
AC5 22-24	Delivering efficient and effective commissioning services	We'll review our commissioning function and commissioning intentions to ensure they remain efficient and effective. We'll explore collaborative commissioning with our partner organisations.	-	100,000	-	100,000
Sub - Adults and Communities Crosscutting			0	100,000	0	100,000
TOTAL ADULTS AND COMMUNITIES EFFICIENCIES			0	100,000	1,250,000	1,350,000

BARNSELY METROPOLITAN BOROUGH COUNCIL
2022 - 2024 Efficiency Proposals
ADULTS AND COMMUNITIES DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	Investment Required £	2022/23 Saving £	2023/24 Saving £	Full Year Effect £
<u>Crosscutting / Non Cashable opportunities</u>						
	Aligned Environmental Commissioning	We'll look at how we can commission environmental contracts for area councils more efficiently. This includes the potential to undertake one commission for all areas. This creates more efficient commissioning practice and closer alignment with an area based approach.	-	-	-	-
	Welfare Advice Service	We'll look at how we can commission welfare advice support for areas more efficiently. This will help to make sure that the offer is consistent across the borough. There is a potential to implement a single commissioned provider or framework agreements. We'll also consider creating a centrally provided service although this may create cost pressures.	-	-	-	-
	Safer Neighbourhoods - Defined core budget	We'll look at options to review the Safer Neighbourhoods budget to create a more stable service offer, improved scope to target and meet need, prevent crisis and achieve improvements for our neighbourhoods and communities.	-	-	-	-
	Review our approach to housing management	There's an opportunity to review our approach to housing management across the organisation. This will provide a joined up approach to management and regulation to both stimulate housing growth and prevent decline.	-	-	-	-

2022 - 2024 Efficiency Proposals CHILDREN'S DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	Investment Required £	2022/23 Saving £	2023/24 Saving £	Full Year Effect £
Education, Early Start and Prevention						
CS1 22-24	Review of the Barnsley Multi-Systemic Therapy Service (MST)	<p>The Barnsley MST service is delivered to 50 children across Barnsley and Rotherham. It provides intensive family and community-based intervention programmes for children and young people aged 11-17, where young people are at risk of care or custody. Rotherham have given notice to end the contract.</p> <p>We'll review the services that are needed resulting from the COVID19 pandemic and reinvest MST resources for the period to 22/23 (in light of anticipated fallout of TF funding). There's an opportunity to put it forward as a cashable saving in 23/24.</p>	-	-	170,000	170,000
Sub Total Education, Early Start and Prevention			-	-	170,000	170,000
Children's Social Care and Safeguarding						
CS2 22-24	Develop Children in Care residential provision in Barnsley	We'll look to develop a Children in Care (CIC) residential provision within the borough. This will enable children to be cared for locally and help sustain family and social relationships and reduce missing from care episodes. In borough provision improves placement stability, timely consistent support and relationships, and wrap around services and interventions.	(1,000,000)	200,000	-	200,000
CS3 22-24	Delivering Children's services digitally	<p>We'll use our experiences and learning from the COVID19 pandemic to see how we can make better use of digital technology in delivering our Children's services. We'll look at holding meetings virtually which means we have less reliance on buildings together with reduced staff time spent travelling, helping us to reduce our carbon footprint. Various opportunities include:</p> <ul style="list-style-type: none"> • Child protection and Children in Care Statutory Reviewing Functions • Early Help Team Around the Family (TAF) meetings • EHC/SEND Meetings and annual reviews • Adoption and Fostering Panel • Youth Justice Panels • Referral Panels 	-	-	-	-
Total Children's Social Care and Safeguarding			-1,000,000	200,000	-	200,000
TOTAL CHILDRENS DIRECTORATE			-1,000,000	200,000	170,000	370,000

2022 - 2024 Efficiency Proposals CHILDREN'S DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	Investment Required £	2022/23 Saving £	2023/24 Saving £	Full Year Effect £
<u>Crosscutting / Non Cashable opportunities</u>						
CS1 22-24	Review of Educational Psychology Service	We'll review how we deliver our Educational Psychology Service to deliver our statutory and traded services. We'll explore a partnership with local universities to secure Educational Psychology graduate placements.	-	-	-	
	Review of age criteria for (18+) shared lives	See Adults and Communities	-	-	-	
	Review of Commissioning	See Adults and Communities	-	-	-	
	Social Care Academy	See Adults and Communities	-	-	-	

BARNSELY METROPOLITAN BOROUGH COUNCIL
2022 - 2024 Efficiency Proposals
PLACE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	Investment Required £	2022/23 Saving £	2023/24 Saving £	Full Year Effect £
<u>PLACE</u>						
<u>Economic Regeneration and Culture</u>						
PL1 22-24	Town Centre Buildings Review	Further opportunity to revisit the Town Centre accommodation strategy using the learning and experiences from COVID19 i.e. home working options. Key considerations to include: •Re-purpose/Disposal of surplus accommodation •Potential to change use of Gateway reviewing commercial angles and to accelerate occupancy pipeline for DMC2	-	-	500,000	500,000
PL2 22-24	Delivery of the services currently provided by NPS/Norse contract	We'll explore the opportunities of having an in-house provision or external contract following termination of the current JV with Barnsley NPS/Norse.	-	500,000	-	500,000
PL3 22-24	Review of our commercial properties	We'll look at our current commercial properties and how we use them. We'll aim to step up occupancy rates and creativity around usage of space. This also links to the work being undertaken on Principal Towns. We'll explore opportunities to 'sweat the assets we own'.	-	-	TBD	TBD
<u>Sub - Total Economic Regeneration and Culture</u>			-	500,000	500,000	1,000,000
<u>Environment and Transport</u>						
TOTAL PLACE EFFICIENCIES			0	500,000	500,000	1,000,000

BARNSLEY METROPOLITAN BOROUGH COUNCIL
2022 - 2024 Efficiency Proposals
CORE DIRECTORATE

Ref	Proposal Theme	Brief Description of Proposal	Investment Required £	2022/23 Saving £	2023/24 Saving £	Full Year Effect £
CO1 22-24	Ensuring Core Services meet our organisational and customer needs.	We'll review all of our core services to ensure that they are working as effectively and efficiently as possible to meet our organisations and customer needs.	-	500,000	-	500,000
Total Core Service			-	500,000	-	500,000

BARNSELEY METROPOLITAN BOROUGH COUNCIL
2022 - 2024 Efficiency Proposals
ORGANISATIONAL WIDE PROPOSALS

Ref	Proposal Theme	Brief Description of Proposal	Investment Required £	2022/23 Saving £	2023/24 Saving £	Full Year Effect £
CORP1 22-24	Ensuring our customer services are delivering the best service possible to our customers.	We'll look at how we can deliver the best service possible to our customers by: <ul style="list-style-type: none"> • Working with customers to design a service that meets their needs. • Maximising the use of technology and providing support around digital inclusion. • Creating a single front door where appropriate • Implementing a new telephony system, CRM system, Chatbot and Robotic Process Automation. • Having clear council wide customer services principles and service standards. 	-	250,000	-	250,000
CORP2 22-24	Harnessing the benefits of Robotic Process Automation (RPA)	We'll use the Robotic Process Automation technology to help us: <ul style="list-style-type: none"> • Reduce duplication of effort and manual inputting to our systems. • Make the most of the data we have by looking across different data sets, improving analysis and make 'automated' decisions. • Use chatbots where appropriate for simple customer interaction (see customer services). 	-	-	250,000	- 250,000
CORP3 22-24	Business Improvement and Intelligence	We'll review our Business Improvement and Intelligence function to create a single front door for business intelligence across the organisations. This includes: <ul style="list-style-type: none"> • Bringing together relevant roles from across the council. • An In depth review of job roles to make sure they meet need. • Consistent application of a data management framework. • Using Robotic Process Automation, Artificial Intelligence and Power BI to make our processes better and provide rich intelligence. • Having better joined up data e.g. shared care record. 	-	250,000	-	- 250,000
CORP4 22-24	Deliver our Smart Working Programme	We'll continue to deliver our Smart Working programme, using our experiences and learning from COVID19. We'll focus on three key themes: <ul style="list-style-type: none"> • People • Workspace • Digital 	-	500,000	250,000	750,000
TOTAL CROSS CUTTING EFFICIENCIES				1,000,000	500,000	1,500,000

DIRECTORATE SUMMARY SPENDING PLANS
2021 - 2022

DIRECTORATE	OPENING 2021/22 RESOURCE ENVELOPE	ADD			SUB -TOTAL PRE EFFICIENCIES	LESS	REVISED 2021/22 RESOURCE ENVELOPE
		Fixed and Ongoing	Demography	Investments ongoing		Efficiencies	
	£M	£M	£M	£M		£M	
<u>ADULTS & COMMUNITIES DIRECTORATE</u>							
Adults Assessment and Care Management	48.694	0.310	7.731		56.735	-1.000	55.735
Safer, Stronger & Healthier Communities	6.656	0.206			6.862	-0.485	6.377
TOTAL COMMUNITIES	55.350	0.516	7.731	0.000	63.597	-1.485	62.112
<u>PEOPLE DIRECTORATE</u>							
Education and Early Start Prevention	8.331	0.320			8.651		8.651
Children Assessment and Care Management	25.612	0.296	1.500		27.408		27.408
TOTAL PEOPLE	33.943	0.616	1.500	0.000	36.059	0.000	36.059
<u>PLACE DIRECTORATE</u>							
Regeneration and Culture	13.484	0.365			13.849	-0.592	13.257
Environment and Transport	28.597	0.370	2.350		31.317	-0.235	31.082
TOTAL PLACE	42.081	0.735	2.350	0.000	45.166	-0.827	44.339
<u>PUBLIC HEALTH DIRECTORATE</u>							
Public Health	3.248	0.196			3.444	0.290	3.734
TOTAL PUBLIC HEALTH	3.248	0.196	0.000	0.000	3.444	0.290	3.734
<u>CORE DIRECTORATE</u>							
Finance	2.717	0.249			2.966		2.966
IT	6.547	0.177			6.724	-1.000	5.724
HR, Performance & Communications	5.171	0.234			5.405	-0.048	5.357
Legal	0.841	0.038			0.879	0.140	1.019
Governance & Elections	4.008	0.042			4.050	-0.060	3.990
TOTAL CORE	19.284	0.740	0.000	0.000	20.024	-0.968	19.056
<u>CORPORATE BUDGETS</u>							
Levies	0.946				0.946		0.946
Corporate & Democratic Core	0.766	0.015			0.781		0.781
Capital Financing	15.234	1.070			16.304	-2.802	13.502
Corporate Budgets & Provisions	1.724	1.435	-0.300	4.600	7.459	-1.400	6.059
TOTAL CORPORATE	18.670	2.520	-0.300	4.600	25.490	-4.202	21.288
TOTAL NET BUDGET	172.576	5.323	11.281	4.600	193.780	-7.192	186.588

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DIRECTORATE SUMMARY SPENDING PLANS

2022 - 2023

DIRECTORATE	OPENING 2022/23 RESOURCE ENVELOPE	ADD			SUB -TOTAL PRE EFFICIENCIES	LESS	REVISED 2022/23 RESOURCE ENVELOPE
		Fixed and Ongoing	Demography	Investments ongoing		Efficiencies	
<u>ADULTS & COMMUNITIES DIRECTORATE</u>	£M	£M	£M	£M		£M	
Adults Assessment and Care Management	55.735	0.273	2.437		58.445	-0.100	58.345
Safer, Stronger & Healthier Communities	6.377	0.205			6.582		6.582
TOTAL COMMUNITIES	62.112	0.478	2.437	0.000	65.027	-0.100	64.927
<u>PEOPLE DIRECTORATE</u>							
Education and Early Start Prevention	8.651	0.316			8.967		8.967
Children Assessment and Care Management	27.408	0.259	0.195		27.862	-0.200	27.662
TOTAL PEOPLE	36.059	0.575	0.195	0.000	36.829	-0.200	36.629
<u>PLACE DIRECTORATE</u>							
Regeneration and Culture	13.257	0.334			13.591	-0.500	13.091
Environment and Transport	31.082	0.359	0.400		31.841	-1.000	30.841
TOTAL PLACE	44.339	0.693	0.400	0.000	45.432	-1.500	43.932
<u>PUBLIC HEALTH DIRECTORATE</u>							
Public Health	3.734	0.170			3.904		3.904
TOTAL PUBLIC HEALTH	3.734	0.170	0.000	0.000	3.904	0.000	3.904
<u>CORE DIRECTORATE</u>							
Finance	2.966	0.240			3.206		3.206
IT	5.724	0.172			5.896		5.896
HR, Performance & Communications	5.357	0.222			5.579	-0.500	5.079
Legal	1.019	0.035			1.054		1.054
Governance & Elections	3.990	0.043			4.033		4.033
TOTAL CORE	19.056	0.712	0.000	0.000	19.768	-0.500	19.268
<u>CORPORATE BUDGETS</u>							
Levies	0.946				0.946		0.946
Corporate & Democratic Core	0.781	0.013			0.794		0.794
Capital Financing	13.502	0.570			14.072		14.072
Corporate Budgets & Provisions	6.059	0.985	-0.705	3.500	9.839	-1.000	8.839
TOTAL CORPORATE	21.288	1.568	-0.705	3.500	25.651	-1.000	24.651
TOTAL NET BUDGET	186.588	4.196	2.327	3.500	196.611	-3.300	193.311

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DIRECTORATE SUMMARY SPENDING PLANS**2023 - 2024**

DIRECTORATE	OPENING 2023/24 RESOURCE ENVELOPE	ADD			SUB -TOTAL PRE EFFICIENCIES	LESS	REVISED 2023/24 RESOURCE ENVELOPE
		Fixed and Ongoing	Demography	Investments		Efficiencies	
	£M	£M	£M	£M		£M	
<u>ADULTS & COMMUNITIES DIRECTORATE</u>							
Adults Assessment and Care Management	58.345	0.273	2.437		61.055	-1.250	59.805
Safer, Stronger & Healthier Communities	6.582	0.205			6.787		6.787
TOTAL COMMUNITIES	64.927	0.478	2.437	0.000	67.842	-1.250	66.592
<u>PEOPLE DIRECTORATE</u>							
Education and Early Start Prevention	8.967	0.316			9.283		9.283
Children Assessment and Care Management	27.662	0.259	0.195		28.116	-0.170	27.946
TOTAL PEOPLE	36.629	0.575	0.195	0.000	37.399	-0.170	37.229
<u>PLACE DIRECTORATE</u>							
Regeneration and Culture	13.091	0.334			13.425	-0.500	12.925
Environment and Transport	30.841	0.359	0.400		31.600		31.600
TOTAL PLACE	43.932	0.693	0.400	0.000	45.025	-0.500	44.525
<u>PUBLIC HEALTH DIRECTORATE</u>							
Public Health	3.904	0.170			4.074		4.074
TOTAL PUBLIC HEALTH	3.904	0.170	0.000	0.000	4.074	0.000	4.074
<u>CORE DIRECTORATE</u>							
Finance	3.206	0.241			3.447		3.447
IT	5.896	0.172			6.068		6.068
HR, Performance & Communications	5.079	0.218			5.297		5.297
Legal	1.054	0.038			1.092		1.092
Governance & Elections	4.033	0.043			4.076		4.076
TOTAL CORE	19.268	0.712	0.000	0.000	19.980	0.000	19.980
<u>CORPORATE BUDGETS</u>							
Levies	0.946				0.946		0.946
Corporate & Democratic Core	0.794	0.013			0.807		0.807
Capital Financing	14.072	0.570			14.642		14.642
Corporate Budgets & Provisions	8.839	3.885	-0.208	0.500	13.016	-0.500	12.516
TOTAL CORPORATE	24.651	4.468	-0.208	0.500	29.411	-0.500	28.911
TOTAL NET BUDGET	193.311	7.096	2.824	0.500	203.731	-2.420	201.311

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BARNSELEY METROPOLITAN BOROUGH COUNCIL

2021/22 SCHOOLS DELEGATED BUDGETS**1. Purpose of the Report**

- 1.1 To seek approval for the proposed 2021/22 schools' budget and for the transfer of schools' funding to the high needs budget, following consultation with schools and consideration by the Barnsley's Schools Forum.

2. Recommendations

- 2.1 That Cabinet approves the changes to the local schools funding formula and the proposed schools' budget as outlined in this report - subject to the decision of the Disapplication Request (see 2.2 below).
- 2.2 That Cabinet approves the transfer (1%) of funding from the schools' block (£1.6M) to the high needs block to address cost pressures in the high needs budget (subject to the DfE Secretary of State's approval of the Council's Disapplication Request).

3. Schools Funding Settlement 2021/22

- 3.1 Details of the Dedicated Schools Grant (DSG) were announced on 17 December 2020. The total DSG allocation for Barnsley for 2021/22 is **£221.4M**. This equates to a **£17.2M** increase in DSG funding compared to 2020/21. The table below compares Barnsley's DSG allocation for 2021/22 to the current year on an equivalent basis.

	2020-21 £M	2021-22 £M	Change £M
Schools Block	160.070	173.072	13.002
High Needs Block	27.183	31.168	3.985
Early Years Block	15.239	15.456	0.217
Central Schools Services	1.733	1.757	0.024
	204.225	221.453	17.228

- 3.2 The main changes in funding in 2021/22 can be explained by the following:

- Schools Block – the increase of £13.0M is due to additional funding for schools / academies (£3.3M) through the National Funding Formula (NFF); the inclusion of the teachers' pay and pension cost grants in DSG (£6.9M); and the impact of increase in pupil numbers (£2.9M).
- High Needs Block – the £4.0M increase reflects the additional SEND funding allocated through the high needs NFF (£3.6M) as well as the impact of the rolled in teachers' pay and pension cost grant (£0.4M).
- Early Years Block – the funding increase of £0.2M is mainly due to an increase in the hourly funding rate (£0.06). The funding rate per hour for Barnsley has increased to £4.44 for 2021-22.

4. **Funding formula changes for 2021/22**

4.1 In light of the additional schools funding, a consultation exercise was undertaken in November 2020, which sought views on changes to Barnsley's local formula. The intention is to deliver on the Government's expectation that local school's formulae are aligned to the NFF; set a formula that maximises pupil led funding; and directs funding to schools as expected under the NFF. The outcome of the consultation was reported to the Schools Forum on 17 December 2020.

4.2 The following summarises the **key proposed changes** to the Barnsley's local funding formula for 2021/22, which considers the responses from schools and the expressed views of the Schools Forum:

- The schools' data in the 2021/22 funding formula provided by include the proposed new secondary school (Trinity Academy Barnsley). Delegated funding has been allocated to the new school based on estimated pupil numbers (166).
- The implemented formula changes for 2021-22 would result in a primary / secondary funding ratio closer to 1:1.34, which is consistent with the NFF. The inclusion of funding for the new school meant that the ratio is higher than in 2020/21 (1:1.33).
- The Age Weighted Pupil Unit (AWPU) for primary and secondary schools (KS3 & KS4) in Barnsley would be increased by 1.5%, with the resultant rates for 2021-22 higher than the NFF AWPU rates.
- It is proposed to uplift the funding rates in the Barnsley's local schools' formula to NFF level for the following funding factors: Deprivation; Low Prior Attainment; and English is an Additional Language (EAL). In addition, where necessary the proportion of funding allocated through these factors will be aligned to the NFF.
- It is proposed to maintain the Lump Sum at the current level of £114,000 per school (compared to NFF amount of £117,800). This is to help manage the impact of allocating funding to the new school and the 1% funding transfer to the high needs budget.
- In order to increase the protection to schools, it is proposed to set the Minimum Funding Guarantee (MFG) at 1.9% (the maximum allowed under current regulations is 2%). The original intention was to set the MFG at 2%, however this is unaffordable given the impact of funding the new school and the proposed 1% funding transfer to the high needs block.
- Like previous years, growth funding will be allocated to schools outside the funding formula based on the Council's Pupil Growth criteria. The amount top sliced from the schools' block for 2021/22 for pupil growth is £400k (£700k in 2020/21).

5. **Funding transfer to the high needs budget 2021/22**

5.1 Barnsley continues to face increased cost pressures in the high needs block, with a deficit forecast in 2020/21 and projected for 2021/22. The Government continues to allow local flexibility for the transfer of funding from the schools to high needs block in 2021/22. This is subject to Schools Forum and DfE approval (for transfers above 0.5%).

- 5.2 It is the intention of the Council to exercise this flexibility for 2021/22 and has consulted with schools and the Schools Forum on the proposal to transfer 1% of the schools' block funding to the high needs block. The transferred funding (£1.6M) will be used to mitigate the recurrent cost pressures within the high needs block.
- 5.3 The 1% funding transfer proposal was approved by the Schools Forum on 17 December 2020. DfE decision on the funding transfer application submitted by the Council will not be confirmed till mid-January 2020. However, the attached school budget proposal put forward for 2021/22 reflects the 1% transfer and is subject to the decision of the DfE.

6. **Proposed 2021/22 Schools Delegated Budget**

- 6.1 Submission of schools funding formulae and confirmation of political ratification of the schools' budget (by Councils) is required by DfE. The table below outlines the proposed schools' budget for 2021/22 and reflect the changes to the formula as detailed in paragraph 4.2 and the 1% funding transfer as outlined in paragraph 5.3 (subject to DfE decision).

	2020/21 Budget	2021/22 Budget	Variance
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Schools block funding	160,070	173,072	13,002
Growth fund	-700	-400	300
Funding transfer to high needs block*	-800	-1,662	-862
	158,570	171,010	12,440

* subject to DfE approval of the disapplication request

1) Age Weighted Pupil Unit (AWPU)	111,557	122,018	10,460
2) Deprivation	14,876	16,139	1,263
3) English as an Additional Language	567	576	9
4) Mobility	83	21	-62
5) Prior Attainment	11,341	11,358	17
6) Lump sum	9,953	10,020	67
7) Minimum pupil funding	465	876	411
8) Minimum Funding Guarantee	146	503	357
9) Rates	1,854	1,670	-184
10) PFI funding	7,728	7,829	102
	158,570	171,010	12,440

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2021/22 – 2023/24 CAPITAL INVESTMENT PROGRAMME

1. Purpose of Report

- 1.1 To outline the Council's approach to prioritisation of capital investment needs and the indicative priority proposals, following on from the previous report that outlined the totality of the investments / scheme pipeline and external funding strategy.

2. Recommendations

It is recommended that:

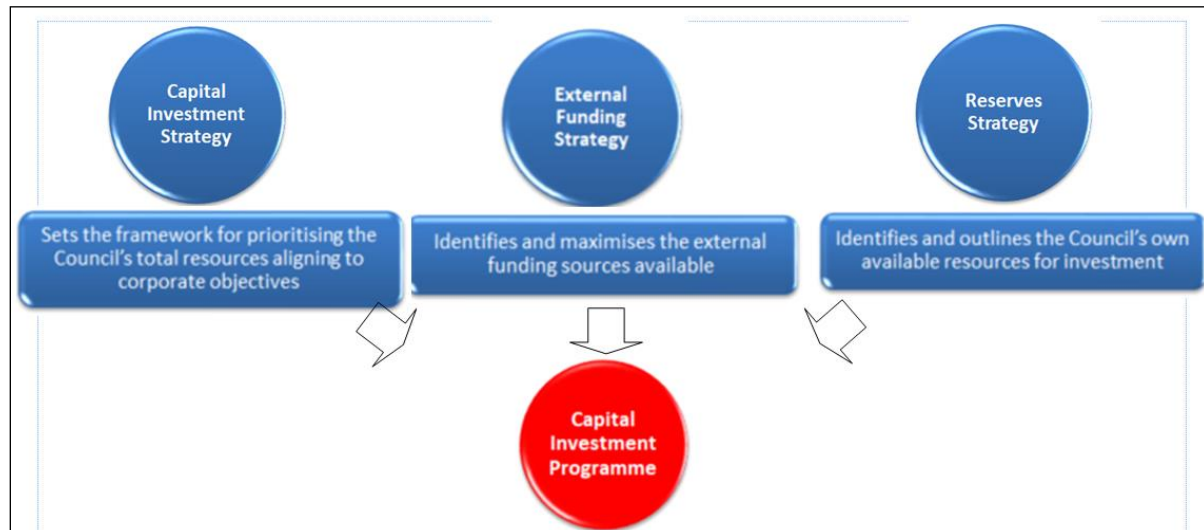
- 2.1 **Members note the Council's approach to the capital investment prioritisation process;**
- 2.2 **Members approve the Council's priority capital investment proposals for immediate progression, as outlined at paragraphs 4.11 and detailed in Appendix 1, totalling £6.8M;**
- 2.3 **Members approve the Council's capital investment proposals that are linked to annual government grant allocations for immediate progression, outlined at paragraphs 4.12 and detailed in Appendix 2, totalling £13.8M;**
- 2.4 **Members note the Council's capital investment proposals that are subject to current live external funding bids, as outlined at paragraphs 4.13 – 4.14 and detailed in Appendix 2, totalling £102.8M and approve the match funding element totalling £3.3M from the Council's own resources, subject to successfully securing the external funding;**
- 2.5 **Members note the Council's capital investment proposals that are proposed for further detailed feasibility work / business case development, as outlined at paragraphs 4.15 – 4.16 and detailed in Appendix 3, totalling £96.4M; and**
- 2.6 **Members note the Council's capital investment proposals that form part of the live pipeline of proposals moving forwards, as outlined at paragraphs 4.17 and detailed in Appendix 4, totalling £195.0M.**

3. Background and Context

- 3.1 The proposed 21/22 Capital Investment Programme is largely derived via detailed consideration of the following three key strategies:
- **The Capital Investment Strategy 2021/22** – this strategy sets out the overall framework for identifying and prioritising the Council's Capital Investment Priorities and seeks to align those priorities against all available resources;
 - **The External Funding Strategy (yet to be approved)** – this strategy will provide a framework that supports the Council in identifying and then optimising all external funding opportunities in support of the Council's strategic objectives; and
 - **The Reserves Strategy 2021/22** – this strategy aims to maximise, and efficiently allocate, all available internal balances (e.g. year-end underspends) and "one off"

resources (e.g. capital receipts) to support investment proposals that achieve the delivery of the Council's strategic objectives.

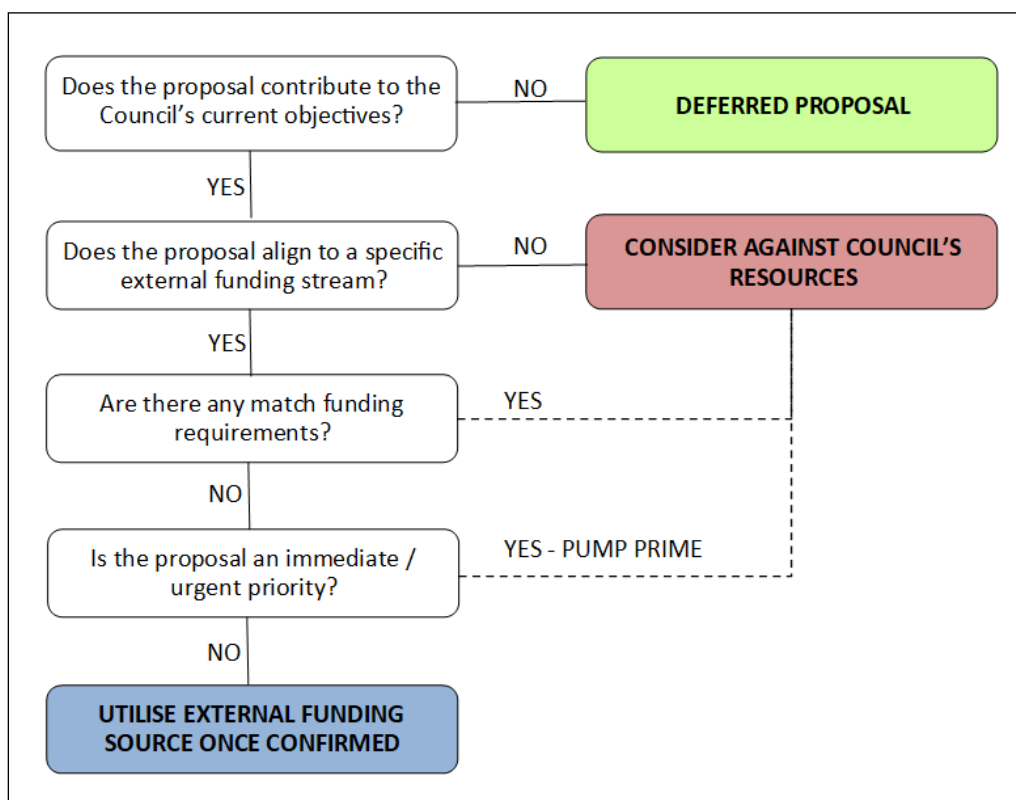
- 3.2 All three strategies work together to identify priorities and all available resource options (whether they be internal, external or combined) to progress our 'pipeline' of investment proposals that meet the Council's priorities. The strategies also work to identify where any funding gaps or barriers, such as funding eligibility, exist.
- 3.3 The diagram below describes the interaction between these strategies when considering investment proposals.



- 3.4 This report introduces the totality of investment proposals being considered as part of the 2021/22 to 2023/24 Capital Investment Programme and provides a more detailed overview of those resources currently available to support these proposals, along with identifying future funding opportunities and any funding gaps.

4. 2021/22 Schemes for Consideration

- 4.1 The Capital Investment and External Funding Strategies set out the principles and processes regarding the governance and prioritisation of the capital programme and it is within this context that all new investment proposals have been considered.
- 4.2 The approach is to assess the Council's capital investment pipeline in terms of their relative contribution to the Council's overall objectives [paragraph 4.5 refers]. A further analysis has then been undertaken to align each investment against the various external funding streams currently available. These ordinarily have restrictions in respect of the type of expenditure that can be funded, and they have therefore been assessed against the various criteria to identify the most likely successful funding route.
- 4.3 Where such schemes do not meet any of the external funding criteria, or do not require any match funding, these schemes have been aligned to the Council's own available resources. In respect of funding such schemes, it is proposed to utilise the Council's own reserves as and when these become available.



- 4.4 Total capital investment proposals to the value of **£414.8M**, split £392.8M General Fund and £22.0M Housing Revenue Account have been identified.

General Fund Capital Investments

- 4.5 A number of General Fund schemes have been proposed and will be considered against the strategic priorities emerging from the 2030 planning work [also broadly reflective of the objectives set out in the Council's current Corporate Plan].

Housing Growth Capital Investments

- 4.7 A number of housing investments have also been proposed with objectives linked to both maintaining and increasing the Council's own housing stock, undertaking a number of regulatory requirements and delivering a number of green initiatives. It is proposed to fund these schemes via the Council's Housing Revenue Account (HRA) reserves, S106 contributions specifically relating to housing and Berneslai Homes company surpluses. As mentioned throughout this report, the HRA Reserves element of the funding is restricted purely to Council Housing proposals and therefore will be solely used on these schemes.
- 4.8 In addition to this one-off capital investment, the Council's core objective continues to be the maintenance of decency via the Barnsley Homes Programme / HRA budget.

Prioritisation of Capital Investment Proposals

- 4.9 To further refine the proposals into a list of priorities to progress, the following assessment criteria will also be applied: (a) impact on corporate priorities & outcomes, (b) alignment to 2030 strategic themes / inclusive economy / SEP / zero 40 strategies, (c) return on investment – both financial & non-financial, (d) scope to lever in external funding / maximise resource position, (e) clearly defined and measurable outputs and outcomes and (f) a robust evidence base.

- 4.10 Each of the capital investment proposals have been scored against this criterion and categorised into four lists, which are explained in the paragraphs below.
- 4.11 Proposals that require immediate prioritisation – these proposals are ordinarily regulatory or statutory in nature but also include proposals that keep the Council safe and maintain / protect service delivery. It is recommended that these schemes are progressed immediately, in line with the Council's existing governance arrangements. Table 2 summarises these schemes against the Council's strategic priorities with a detailed list shown in Appendix 1. **Recommendation 2.2 refers.**
- 4.12 Proposals that relate to specific annual government allocations or are subject to live funding bids – it is recommended that the proposals that relate to specific annual government allocations are progressed immediately, in line with the Council's existing governance arrangements. Table 2 summarises these schemes against the Council's priorities with a detailed list shown in Appendix 2. **Recommendation 2.3 refers.**
- 4.13 The proposals that are subject to live funding bids, are at this stage, awaiting a decision in respect of whether the respective funding bids have been successful and where applicable may also include a match funding commitment from the Council. This match funding requirement, which totals £3.3M, represents a call on the Council's own resources as such schemes are prioritised on the basis that these lever in external funding streams. **Recommendation 2.4 refers.**
- 4.14 Where successful, these schemes will be progressed for inclusion in the capital programme, in line with the Council's existing governance arrangements. Should these funding bids be unsuccessful, the Council may wish to consider funding these schemes [or elements of them] from its own resources. Table 2 summarises these schemes against the Council's priorities with a detailed list shown in Appendix 2. **Recommendation 2.4 refers.**
- 4.15 Proposals that are to progress to further feasibility / business case development – these proposals are recommended for further detailed feasibility and / business case development in order that they are 'oven ready' in the event that further Government / SCR funding becomes available [or in exceptional cases to be considered for Council funding]. Table 2 summarises these schemes against the Council's priorities with a detailed list shown in Appendix 3. **Recommendation 2.5 refers.**
- 4.16 A sum totalling £2M has been set aside to assist in developing detailed feasibility / business case development.
- 4.17 Proposals that form the remaining live pipeline of future schemes – the schemes that remain in the pipeline are not to be progressed at this time, though it should be noted that the position is extremely fluid in terms of emerging priorities and additional funding sources. Table 2 summarises these schemes against the Council's priorities with a detailed list shown in Appendix 4. **Recommendation 2.6 refers.**
- 4.18 It is envisaged that the overall scheme pipeline will be fluid / iterative and evolve over time as new investment requirements emerge and additional funding is confirmed.
- 4.19 The analysis of the above process is summarised in Table 2.

Table 2: Capital Investment Proposals

Council Theme	Immediate Priority	Government Allocations	Pending Funding Bids	Progress to Feasibility / Business Case Development	Pipeline	Total
	£M	£M	£M	£M	£M	£M
Capital Expenditure	6.774	13.800	102.828	96.448	194.996	414.846
Total Capital Investment Proposals	6.774	13.800	102.828	96.448	194.996	414.846
Split Between:						
General Fund	3.417	13.800	102.828	96.448	176.333	392.826
Housing	3.357	-	-	-	18.663	22.020
Total	6.774	13.800	102.828	96.448	194.996	414.846
	Appendix 1	Appendix 2	Appendix 2	Appendix 3	Appendix 4	

5. **Resource Position**

Total Resources Currently Available

- 5.1 The total resources provisionally available for investment is £141M as described in Table 3 below. In addition, there are a number of other external funding opportunities currently available that cannot be quantified at this time.

Table 3: Total Resources Available for Consideration

	CONFIRMED £M	PENDING £M	TOTAL £M	References
Earmarked Resources:				
External Funding Awards – Already Pursued	2.859	99.969	102.828	5.4 - 5.6 & Table 4
Other Annual Funding Allocations	13.800	-	13.800	5.10 – 5.16 & Table 5
Sub Total - Specifically Earmarked Resources	16.659	99.969	116.628	
Resources to be Considered:				
Other Potential External Funding Sources	TBD	TBD	TBD	5.7 – 5.9
General Fund Resources	21.742	-	21.742	5.17 & Table 6
Housing Resources	3.400	-	3.400	5.17 & Table 6
Sub Total - Resources for Consideration	25.142	-	25.142	
Total Resources	41.801	99.969	141.770	

External Funding Strategy

- 5.2 In order to ensure that the Council is optimising all available external funding opportunities to support the Council's strategic objectives, an External Funding Strategy is being developed that will be presented to Members in due course.

5.3 External funding can generally be viewed as falling under two categories:

- i) **External Funding Opportunities Available via Competitive Bidding Processes** – these resource opportunities are the key focus of the External Funding Strategy.
- ii) **Other Specific Monies** – this refers to those funds that are ‘routinely’ allocated to and budgeted for by the Council, usually on an annual basis. These are described in paragraphs 5.11 to 5.17.

External Funding Opportunities Available via Competitive Bidding Processes

- 5.4 An exercise has been undertaken to identify current “live” external funding bids (either confirmed or pending) which can be utilised to support the 2021/24 capital investment programme.
- 5.5 This exercise confirmed that the Council continues to make significant progress in seeking external funding to support specific capital projects - with major grants either received and/or decisions pending totalling around £103M from bidding activity already carried out in 2020/21.
- 5.6 It is important to note that the ‘live’ external grant bids shown in Table 4 below come with a high degree of inflexibility and are largely ring-fenced to the delivery of specific projects – on that basis these funds are not available to fund the wider scheme pipeline.

Table 4: External Funding Bids Currently Being Progressed – Committed

Source	Title	Confirmed* £M	Pending £M	Total £M
External Funding Bids:				
MHCLG	Accelerated Infrastructure Fund	-	5.835	5.835
MHCLG	Stronger Towns – Goldthorpe *	0.600	59.893	60.493
DfT	Transforming Cities	-	9.827	9.827
Wolfson F'dation	Northern Glass *	0.259	-	0.259
MHCLG	Future High Streets	-	23.314	23.314
DfT	Emergency Active Travel	-	1.100	1.100
Heritage England	Historic High Streets *	2.000	-	2.000
Sub Total – External Funding Bids (Already Committed)		2.859	99.969	102.828

**Please Note: The £2.859M in grant included under ‘Confirmed Funding’ has been already allocated for use against specific schemes/projects.*

Potential Future Funding Opportunities

- 5.7 There are a number of, yet to be finalised funding regimes that, if and when released, should offer the Council considerable opportunity to support the delivery of the wider capital scheme pipeline. A brief overview of some of the major funding opportunities currently expected is provided below:

- **Levelling Up Fund (£4bn)** – of the £4bn up to £0.6bn is expected to become available in 2021/22. The fund will allocate up to £20m for projects that the Chancellor states will provide “the infrastructure for everyday life” this includes “a

new bypass, upgraded railway stations, less traffic, more libraries, museums and galleries and better high streets and town centres” – further details pending;

- **Shared Prosperity Funding (£1.5bn per annum)** - essentially a fund to replace EU funding following BREXIT. The Chancellor’s stated intention for the fund being to *“ramp up funding so that total domestic UK wide funding will at least match EU receipts, on average reaching £1.5bn a year”*. Further details on the fund expected early in the New Year;
- **Energy Efficiency (£3bn nationally)** – comprising two key decarbonisation programmes for the public sector and social housing;
- **Green Retrofit Schemes (£2bn nationally)** – including voucher schemes, energy hubs and property upgrades;
- **Housing (£14bn nationally)** – this includes Brownfield Site allocation to SCR (£40m - £8M per annum over 5 years), MHCLG Affordable Housing (£12bn nationally) and the Housing Infrastructure Fund (£1.1bn nationally); and
- **Flooding Protection Grant** – funding being explored to support flooding prevention measures via SCR.

5.8 Clearly at this stage it is difficult to predict with any real certainty what Barnsley’s ‘share’ of these funding pots will be. However, the emergence of these different types of funding clearly emphasises the need for a relevant and ‘oven ready’ scheme pipeline.

5.9 Whilst the details regarding the above funds have yet to be released it is considered likely that future availability will fall within the 2021-24 capital investment planning period, and as such has been referred to in this report for consideration.

Other Annual Funding Allocations

5.10 The Council also receives annual allocations from Government in respect of capital funding which is ring-fenced to specific categories of spend. Indicative allocations totalling £13.8M are explained in the table and narrative below.

Table 5: Specific Funding - Indicative Allocations

	2021/22 £M
<u>Specific Funding to be Approved</u>	
School Maintenance Programme (indicative) *	0.757
Disabled Facilities Programme (indicative) **	2.976
Local Transport Programme (indicative) **	4.727
School Admissions Programme	5.340
Total	13.800

* Figures based on 2020/21 allocation as no indicative figures released by Central Government at the time of writing this report.

** Indicative allocation for 2021/22, actual allocation not yet confirmed by Central Government.

School Maintenance Programme

- 5.11 Anticipated resources in 21/22 totalling £0.8M relate to investment and maintenance in the schools' stock, early years settings and children's centres (maintenance allowance).

Disabled Facilities Programme

- 5.12 The Council has received an indicative grant allocation totalling £3.0M for 21/22 relating to the DFG element of the Better Care Fund.

Local Transport Programme (LTP)

- 5.13 The indicative resources for 21/22 total £4.7M relating to specific grants in respect of the LTP. This is made up of an LTP Maintenance Block allocation of £3.1M, LTP Maintenance Block Incentive Funding of £0.6M and the Integrated Transport Pot £1.0M; all of which are available to invest in the Borough's road maintenance needs.

Pothole Action Funding

- 5.14 Following confirmation of any allocation via the Government's Pothole Action Fund, the Council's pothole programme for 2021/22 will be established, both over the short- and medium-term planning periods.

School Admission / Basic Need Programme

- 5.15 'Basic Need' resources already announced for 21/22 total £5.3M which supports the requirement to provide new pupil places by expanding existing schools within the Borough.
- 5.16 Subsequent Cabinet reports will align the confirmed allocations to individual schemes.

The Council's Own Resources

- 5.17 The updated Reserves Strategy outlines the level of resources potentially available for both General Fund and HRA priority investment. These resources consist of uncommitted capital receipts and reserves, together with new borrowing approvals provided for within the MTFS. This is summarised in Table 6 below:

Table 6: Total Council's Own Resources for Consideration

	TOTAL £M
General Fund Resources	21.742
Housing Resources	3.400
Total	25.142

Other Potential Sources of Internal Funding

- 5.18 In addition to the resources highlighted in Table 6 above, the Council also has access to other funds which it may be able to utilise:
- **Section 106 Monies** – these resources, currently in the region of £6.6M are potentially available to support the Council's capital investment priorities, though this is subject to the satisfaction of specific S106 conditions; and

- **Switch Funding** – these relate to those resources currently earmarked to support previous strategic priorities, pending confirmation of external funding bids. Once confirmed, these resources may be released to support the Council's other capital investment priorities.

6. **Current Position**

- 6.1 Following the prioritisation exercise outlined in Section 4, Table 7 illustrates the potential call on each funding stream. Appendices 1 through 4 outline the capital schemes for consideration, in each category.

Table 7: Resource Alignment

		Total Available Resources £M	Value of Schemes Aligned to Funding Sources £M	Variance £M
Proposals for Immediate Priority – General Fund	Appendix 1	21.742	3.417	18.325
Proposals for Immediate Priority – Housing		3.400	3.357	0.043
Other Annual Grant Allocations – General Fund	Appendix 2	13.800	13.800	-
External Funding Sources Currently Pursued (Both Secured & Pending) – General Fund		102.828	102.828	-
Proposals to Progress to Feasibility / Business Case Development – General Fund	Appendix 3	TBD	88.448	-
Proposals Emerging / Pipeline – General Fund	Appendix 4	TBD	184.333	-
Proposals Emerging / Pipeline – Housing		TBD	18.663	-
Total		141.770	414.846	

- 6.2 It should be noted that included in Table 7 above are schemes / programmes that have funding confirmation pending at the time of writing.
- 6.3 Furthermore, there may be schemes that have been aligned against external funding opportunities which may be considered as an urgent / high priority where it may not be prudent / practical to await external funding confirmation. In these circumstances, it might be necessary to consider the relative merit of utilising the Council own resources pending any retrospective funding bid.

7. **Conclusion and Next Steps**

- 7.1 A total of £414.8M of investment proposals have been identified as forming the Council's capital investment programme pipeline. Of this, £6.8M worth of proposals are considered immediate priorities and this report recommends approval of those schemes.
- 7.2 A further £116.6M relates to both proposals aligned to the annual government grant allocations due to the Council (£13.8M) and proposals that have already been progressed against various external funding sources (£102.8M).

- 7.3 Of the remaining proposals, schemes totalling £96.4M have been selected to progress to detailed feasibility / business case development in order that they are 'oven ready' if further Government / SCR funding becomes available. A sum of £2M has been set aside to support this process.
- 7.4 Where an immediate or urgent proposal presents itself, regardless of whether an external funding source is potentially available, these will be progressed using the Council's own resources in the first instance. Should external funding be subsequently awarded, then the Council resources can be replenished and released for future prioritisation.
- 7.5 The remaining £195.0M forms the ongoing pipeline of schemes that will constantly develop and evolve over time and will effectively be a 'live' document and the subject of ongoing and iterative development.

8. Appendices

- | | |
|--------------|--|
| Appendix 1 – | Capital Investment Proposals – Immediate Priority; |
| Appendix 2 – | Capital Investment Proposals – Subject to Live Funding Bids /
Government Grant Allocations; |
| Appendix 3 – | Capital Investment Proposals – Proposed for Additional Feasibility
/ Business Case Development; |
| Appendix 4 – | Capital Investment Proposals – Pipeline of Schemes. |

FUTURE COUNCIL PLAN 2021/22

APPENDIX 1 - Capital Investment Proposals Immediate Priority

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
GENERAL FUND:			
C33	Playground Safety surfacing	The proposal seeks funding to provide a program of replacement safety surfacing to the boroughs play facilities to enable safe play for children. This can be delivered on a rolling program with worst first on delivery.	80,000
C32	Crematorium Reception replacement	Funding is being sought to replace the ageing reception at Barnsley Crematorium with a fit for purpose facility.	130,000
C5	Fit For Purpose IT Infrastructure	Replacement of "significant proportions" of the Council's IT Infrastructure - mitigating equipment failure and enhancing PSN and cyber security requirements and accreditation.	1,065,089
C64	New Council's owned Children's Residential Home	The request is for funding to increase BMBC Residential provision for Children in Care through development of an additional BMBC children's home. Analysis of demand for the last three years has been undertaken and demonstrates a consistent need for increased in-house capacity. The costs quoted are indicative at this stage and subject to further reports being submitted to consider a suitable location and detailed surveys to be completed	1,000,000
C36	Allotments Improvements	The proposal seeks to fund a programme of improvements in allotments that reduce water consumption (currently around £45k per year), increase take up of allotments and reduce anti-social behaviour.	250,000
C47	Worsbrough Mill overflow car park	To extend the car park at Worsborough Mill to deal with rise in visitor figures and demand	47,000
C7	NGfL - End User Device Refresh	Investment is being sought to replace old and unfit for purpose end user devices at NGfL sites - predominantly libraries and adult learning facilities.	245,000
C39	Investment in Wi-Fi Connectivity at Visitor Attractions	The proposal seeks funding to support Wi-Fi connectivity (public and corporate) across its visitor attractions portfolio (this include Elsecar Heritage, Cooper Gallery, Cannon Hall and Worsbrough Mill).	500,000
C23	Safety and Efficiency focused Telematics System	The proposal seeks to procure a new telematics system that focusses on increased safety, efficiency and reduced carbon emissions thru better driving.	100,000
JB TOTAL - GENERAL FUND			3,417,089

FUTURE COUNCIL PLAN 2021/22

APPENDIX 1 - Capital Investment Proposals Immediate Priority

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
HOUSING			
C13	Fire Safety Works	Statutory requirement in respect of the fire safety works at our council dwellings	100,000
C25	Sprinkler Installation Scheme	Additional required to complete the programme as a result of an increase in prices	350,000
C22	Lang Avenue Flooding Resilience Works All Properties - Private & HRA	Flooding remedial works at Lang Avenue	1,007,000
C15	Social Housing Decarbonisation Fund	Match funding to contribute towards attaining Government Grant in relation to the social housing decarbonisation fund. Bid to be progressed imminently	800,000
C14a	Energy Efficiency: Air Source Heat Pumps / Decarbonisation	Installation of Air Source Heat Pumps	1,100,000
SUB TOTAL - HOUSING			3,357,000
TOTAL CAPITAL INVESTMENT PROPOSALS - IMMEDIATE PRIORITY			6,774,089

FUTURE COUNCIL PLAN 2021/22

APPENDIX 2 - Capital Investment Proposals Relating to Live External Funding Bids / Government Grant Allocations

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £	EXTERNAL GRANT / PARTNER MATCH £	BMBC MATCH REQUIREMENT £
GOVERNMENT GRANT ALLOCATIONS					
C80	School Maintenance	Monies ringfenced for maintenance the Council's schools stock	757,000	757,000	0
C81	Provision of School Places	Monies ringfenced for providing additional school places	5,340,000	5,340,000	0
C82	Local Transport Programme	Monies ringfenced for maintenance of the Borough's highway network	4,727,000	4,727,000	0
C83	Disabled Facilities Grant	Monies earmarked for provision of disabled facilities grant to allow residents to adapt their own homes	2,976,000	2,976,000	0
Sub Total - Government Grant Allocations			13,800,000	13,800,000	0
LIVE FUNDING BIDS					
C84	Accelerated Infrastructure Fund	Bids submitted to MHCLG, as part of the Get Britain Building initiative, to support the delivery of Town Centre Public Realm (Peel Square), Penny Pie Park Bridge, J36 strategic land acquisition and the Market Gate Bridge.	5,835,000	5,835,000	N/A. Relates to existing approvals.
C51	Transformation of the Northern Glasshouse at Cannon Hall into a horticultural training venue and function space	The proposals seeks to transform the currently derelict North Glasshouse at Cannon Hall (Grade 2 listed) to create a new income generating training venue. It will provide training for adults and young people and activities for schools, adults and families inspired by the heritage, art and landscape of Cannon Hall.	259,000	50,000	209,000
C85	Stronger Towns – Goldthorpe	Bid being submitted to MHCLG for Stronger Towns Funding is £30.251m. The Stronger Towns Bid focussing on a range of schemes in the Goldthorpe area that seek to support economic regeneration, housing and employment opportunities. Partner contributions estimated to be in region of £27.102m (not confirmed) being sought. BMBC match element is £1.056m (already approved spend so removed from the £61.449m); £3m in HRA for Goldthorpe Residential; and £0.040m for Wind Farm feasibility). Please Note: Total cost of schemes in Goldthorpe Town Investment Plan is £61.449m	60,493,000	57,353,000	3,140,000
C86	Transforming Cities	Outline business cases for Barnsley schemes are currently in development (due December 20); full business Cases to be completed in 2021/22; project delivery expected by March 2023. The bid seeks funding to support a range of long terms active and sustainable travel projects across the Borough.	9,827,000	9,827,000	N/A. Relates to existing approvals.

FUTURE COUNCIL PLAN 2021/22

APPENDIX 2 - Capital Investment Proposals Relating to Live External Funding Bids / Government Grant Allocations

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £	EXTERNAL GRANT / PARTNER MATCH £	BMBC MATCH REQUIREMENT £
C87	Future High Streets	Bid submitted to MHCLG to support a range of town centre projects including the delivery of an Active Travel Hub, multi storey car park, Glass Works Town Square and Restaurant Block development.	23,314,000	23,314,000	N/A. Relates to existing approvals.
C88	Emergency Active Travel	This comprises a range of Active Travel Schemes across the Borough. DfT to provide £0.904m with SCR providing a further £0.196m in Gainshare (approval pending).	1,100,000	1,100,000	0
C90	Historic High Street	Successful bid to improve shop frontages on Eldon street and improvements to the Civic Hall.	2,000,000	2,000,000	N/A. Relates to existing approvals.
Sub Total - Live Funding Bids			102,828,000	99,479,000	3,349,000
SUB TOTAL - GENERAL FUND			116,628,000	113,279,000	3,349,000
TOTAL CAPITAL INVESTMENT PROPOSALS - GOV GRANTS / LIVE FUNDING BIDS			116,628,000	113,279,000	3,349,000

FUTURE COUNCIL PLAN 2021/22

APPENDIX 3 - Capital Investment Proposals To Progress to Feasibility / Business Case Development

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
GENERAL FUND:			
Town Centre Proposals:			
C76	Acquisition of Eldon Arcade (off Eldon Street & Midland Street)	Funding is being sought to acquire the freehold interest of the remainder of the 'triangle of buildings' on Eldon Street and Midland Road that but up aside the new Glassworks Building - the intention would be to acquire the remainder of the buildings in the triangle.	3,500,000
C75	The Southern Fringe Gateway	This scheme seeks to 1. Demonstrate our commitment to an inclusive sustainable economy by; advocating active travel choices; creating a safe, secure and child-friendly environment; and reducing carbon-dependent modes of transport. 2. Increase the town centre population, prioritising urban centres and community-led initiatives. 3. Enhance the arts & culture offer/portfolio, emphasising a gateway to/from the Southern Fringe. 4. Phase 1 is profiled as investment year 2021/22;	16,511,658
C78	Acquisition of site on Cheapside jw Albert Street East	To acquire the freehold interest of the current block housing Sports Direct and Superdrug on Cheapside in the town centre (opposite the Glassworks).	3,500,000
Sub Total - Town Centre Proposals			23,511,658
Other Proposals			
C41	MU5 Masterplan - New Primary School	Funding is being sought to provide a new primary school to meet the future demand for school places expected from the MU5 development in Royston. The current proposed the site for the school is on Council land.	5,100,000
C9	BROWNFIELD DEVELOPMENT PIPELINE	Funding required to facilitate land assembly and develop a pipeline of small infill council build schemes on brownfield stock across the Borough.	3,000,000
C68	Goldthorpe ES10 Stage 2 Revised Land Assembly Strategy Acquisition of Land	This funding would be used to acquire 99 acres of land in Goldthorpe at a total cost of £14.896M however this includes the 44 acres (est value £7.07m) already included in Stronger Towns Bid therefore the capital investment amount has been reduced. THIS IS NOT A "MATCH" FUNDING ASK AND IS NOT REQUIRED AS PART OF THE STRONGER TOWNS BID - A FURTHER ASK HAS BEEN FOR ADJOINING LAND IN THE AREA (Phase 3) - SEE APPENDIX 3 (PROJECT REF 69).	7,826,000

FUTURE COUNCIL PLAN 2021/22

APPENDIX 3 - Capital Investment Proposals To Progress to Feasibility / Business Case Development

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
C69	Goldthorpe ES10 Stage 3 of the Revised Land Assembly Strategy Acquisition of Land	This is the 3rd Stage of the Land Assembly Strategy for ES10. This 3rd and final stage would address long term land assembly for the remaining 77 acres, furthest in location from the site access.	11,550,000
C43	Zero40 Works - Libraries	The proposal seeks funding to undertake works to improve the thermal efficiency at libraries and is considered to be complementary to the delivery of the £1m Community Libraries Refurbishment Programme.	600,000
C1	Penistone Link Road	A proposed new link road at Pensitone will reduce network congestion, provide sustainable travel and improve air quality. It also will help to accommodate the traffic requirements of site HS 75 which includes 400+ new homes.	20,000,000
C40	Hoyland North Cricket Pavilion	Funding is sought to “front fund” a cricket pavilion at the new cricket ground to be provided as part of residential development within the Hoyland North Masterplan. The developer will be required to provide the new ground to replace the Rockingham Sports Ground cricket pitch - the pavilion is expected to be funded by S106 monies once received.	500,000
C61	Culvert Replacement Programme	Ongoing works focussing on replacement the Borough's culverts. The first area of work will be centred on Measbrough Dyke with 15-20 potential sites in total and approx. 10% of all culverts in Barnsley.	6,000,000
C91	Church Street Darton - Flood Works	Flood defence works to improve the Church Street area of Darton. The River was dredged after the 2007 floods but now needs further work in this area to improve the river channel.	2,000,000
C66	Name:' Free Social Broadband Pilot', Theme: Gigabit-capable, full fibre digital connectivity, digital inclusion and research	Investment is being sought to fund research to quantify the benefits of connectivity, digital inclusion and the cost savings that can be achieved for organisations/services who are currently supporting residents through other more costly channels.	110,000
C42	Hoyland North Community Building	Front funding is being sought to support the creation of sports and community facilities on the new Parkside Recreation Ground, which is being created to replace Rockingham Sports Ground and facilitate the Hermes development and bypass within the Hoyland West Masterplan site. It is envisaged that the investment would be paid back utilising S106 monies.	1,250,000

FUTURE COUNCIL PLAN 2021/22

APPENDIX 3 - Capital Investment Proposals To Progress to Feasibility / Business Case Development

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
C4	Royston Relief Road	The Royston relief road is considered a critical new transport infrastructure requirement in the Royston & Carlton Masterplan - unlocking key housing and extensive mixed use development areas, reducing congestion, improving air quality and providing sustainable travel opportunities.	15,000,000
C92	Hickleton Bypass	The construction of a bypass in the east of the Borough at Hickleton, led by Doncaster and supported by the Council	TBD
C93	Principal Towns - Master Planning	Master Planning works in respect of the next phase of the Principal Towns Programme	TBD
Sub Total - Other Proposals			72,936,000
SUB TOTAL - GENERAL FUND			96,447,658
TOTAL CAPITAL INVESTMENT PROPOSALS - PROGRESS TO FURTHER FEASIBILITY / BUSINESS CASE DEVELOPMENT			96,447,658

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FUTURE COUNCIL PLAN 2021/22

APPENDIX 4 - Capital Investment Proposals Emerging / Pipeline

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
<u>GENERAL FUND:</u>			
C74	DMC 02 - Roof Terrace	Funds are being sought to utilise the roof space at DMC 2 to offer small meeting and events space.	200,000
C35	Obsolete buildings - demolition	The proposal seeks funding to demolish Darton Longfields pavilion and Birdwell pavilion. The pavilions are past economic repair and pose a health and safety risk along with ongoing security and maintenance costs.	45,000
C44	Community Library Refurbishments - enhanced options	The proposal seeks funding additional to the already agreed £1m Community Libraries Refurbishment Programme in order to complete all libraries to the same standard and provide enhancements to accommodate individual opportunities at each library.	300,000
C53	The Sidings - Commercial Complex and Waterside Development	This Elsecar based proposal offers up the vision of a major new workspace complex and waterfront offer in a unique historic environment which includes 35+ flexible work and creative spaces, galleries, public realm, a waterfront café and active travel hub.	6,235,000
C72	Barnsley Town Centre Conservation Area Enhancement	<p>This scheme seeks to</p> <ol style="list-style-type: none"> 1. Renew existing built assets, improving the aesthetic and attractiveness of the area, further complementing and extending The Glass Works development with a diversified artisan offer. 2. Support current investment bids at The Civic, The Seam and Eastern Gateway. 3. Demonstrate our commitment to an inclusive sustainable economy by; advocating active travel choices; creating a safe, secure and child-friendly environment; and reducing carbon-dependent modes of transport. 4. Increase the town centre population, prioritising urban centres and community-led initiatives. 5. Enhance the arts & culture offer/portfolio through live entertainment space, utilising The Civic as a hub. 	26,947,372

FUTURE COUNCIL PLAN 2021/22

APPENDIX 4 - Capital Investment Proposals Emerging / Pipeline

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
C29	Locke Park Improvements	The Parks Dept. are progressing plans to improve the physical buildings within the park which include some listed buildings including the second phase of works on the iconic Locke Park tower, site clearance and repositioning of the bowling green boundary.	250,000
C16	Wentworth Glass houses	Investment would support the restoration and refurb of Wentworth Glass houses incl. the installation of hydroponics and renewable heat sources. These enhancements would support of a project being proposed by the Sustainable Institute of Food at the University of Sheffield - as a means of developing food growing initiatives in the local community.	274,000
C45	Cannon Hall Coach House Renovation	The proposal seeks funding to transform the currently derelict Coachhouse at Cannon Hall to create a new tearoom, retail unit and function space. It will bring an important Grade 2* listed building back into use, create a new forecourt, improve the connectivity between the buildings and enhance visitor flow between the hall and gardens. As a derelict listing building the Council has a legal duty to plan for its future.	2,300,000
C54	Implementation of Masterplan to create a major high quality new food and nature destination at Worsbrough Mill	Building on feasibility study undertaken with Economic Development funding - The creation of new training and discovery centre, artisan bakery and continued habitat creation and restoration to aid green recovery and nature engagement. This supports over half million pounds of live projects on and much needed investment on the site.	2,380,000
C18	Dodworth Biodiversity & Solar Eco-Reserve	The proposed project will provide an innovative solution that will create a 93 acre eco-reserve (wetlands, woodland and botanic gardens) + visitor attraction and educational centre, which will be sustained on the basis of a dependable 25 year revenue stream derived from an on-site solar installation.	4,000,000
C55	Elsecar Heritage Railway & Cortonwood Terminus	The proposal seeks to invest in the revitalisation of the Elsecar Heritage Railway and Cortonwood Terminus. The funding ask is via a 4 staged approach: 1) emergency works that needs to take place now, (report already submitted) (2) re-establishment as a mainly static attraction - £600,000 (3) The full reinstatement of a running line and weekend service to Hemingfield - £400,000 (4) Full extension to Cortonwood Retail Park £5,000,000	6,000,000

FUTURE COUNCIL PLAN 2021/22

APPENDIX 4 - Capital Investment Proposals Emerging / Pipeline

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
C48	Green Heritage - Recovery and Discovery	Funding is being sought for a series of green heritage projects across the borough to encourage the discovery and exploration of spaces and wildlife.	750,000
C38	Barnsley Civic Phase 2 redevelopment	The proposal seeks investment to make the Civic "fully functional" and accessible to all. Funding would support a range of improvements including the creation of high quality residential apartments, a new Studio Theatre, Events Space and extended Gallery and, the creation of dedicated rehearsal and workshop spaces	6,000,000
C31	Penistone Sports Centre	It is proposed to create a new sports centre in Penistone to support sports provision in the West of the Borough.	1,500,000
C2	Northern Orbital Link Road	The proposal provides a link from A637/A635 Claycliffe Roundabout to Bar Lane Mapplewell (Northern Orbital). Provision may needed for J37 and M1 (subject to traffic modelling)	45,000,000
C3	Active Travel Routes	Provision of funding would enable more Active Travel Routes to be established, prioritising links from Principal Towns and Town Centre.	2,250,000
C57	Refurbishment and Relaunch of the Events Space 'The Ironworks' at Elsecar	This proposal is considered crucial in supporting the wider future ambitions of Elsecar but the asked is deemed 'critical' in terms of a the range of repairs and restorations it needs to preserve it - it is expected to soon become designated as a Grade II* and a Scheduled Ancient Monument.	850,000
C24	Trans Pennine Trail - Barnsley	Capital is being sought over a four year period to support route works; surfacing, furniture, interpretation, signage, equipment, SUDS drainage etc. In addition, the proposal contains a revenue ask to support feasibility and detailed design works, landowner negotiations, etc.	7,605,000

FUTURE COUNCIL PLAN 2021/22

APPENDIX 4 - Capital Investment Proposals Emerging / Pipeline

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
C56	ELSECAR- FORGING AHEAD - Village Wide Masterplan	<p>Over the last five years, a detailed development programme has been created for the village of Elsecar, including in national partnership with Historic England as part of the village's designation as a Heritage Action Zone, one of the first in the UK. A detailed overview is set out in the Elsecar Destination Development Framework document. The village and heritage centre core are performing extremely well, with significant growth and major steps forward over recent years.</p> <p>A number of detailed HLIR returns have being submitted alongside this document that will support the delivery of the Masterplan including 'C53 – The Sidings', 'C55 Elsecar Heritage Railway', 'C57 – The Iron Works', 'C58 - The New Yard'</p> <p>The 'ask' for this proposal includes additional element of financial support required to further supplement those asks (i.e. not included in the other HLIRs) and also includes request to support other key elements of strategy delivery such as public realm (£2m), rescue, restoration and re-use of adjoining derelict spaces (£1.5m), out of village parking facility + acquisition costs (£1.35m), Extension of Valley TPT to Wentworth and Wentworth Woodhouse, and PROW network across landscape (£1m)</p>	16,150,000
C52	Elsecar Active Travel Hub	The Elsecar Heritage centre being close to the TPT and the canal gives a unique opportunity to develop this site into a more sustainable location offering a new Cycle Hub Centre, with bike hire and EV charging. This scheme improves road safety conditions by including pedestrian crossing facilities and the reduction of speed limits to encourage more people to access the Heritage Centre and the Trans-Pennine Trail.	980,000
C20	Domestic Retrofit	The recent stock condition analysis identified that Barnsley was "significantly worse" than other LAs in terms of the housing condition for vulnerable households. The proposed scheme seeks to retrofit vulnerable households across the Borough (up to 2024) in order to combat fuel poverty and improve health outcomes. It is anticipated that an average sum of £10,000 per property will be enough to lift target properties to meet the EPC requirements.	3,000,000

FUTURE COUNCIL PLAN 2021/22

APPENDIX 4 - Capital Investment Proposals Emerging / Pipeline

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
C37	Commercial Waste RCVs	Commercial Waste collection rounds have reached capacity – investment is therefore sought to continue further growth capacity via investment in two additional RCVs. This will help to create service resilience and additional capacity to create a recycling round.	480,000
C59	Illuminated Traffic Signs & Bollards Replacement Programme	This proposal has two main objectives; 1) To de-illuminate signs and bollards are replace with high visibility reflective materials where-ever safe to do so or; 2) upgrade the lighting equipment to energy efficient LED's.	6,000,000
C30	Bolton Cemetery	Due to imminent capacity issues at Bolton Cemetery it is proposed to build a new cemetery that will serve both Bolton on Dearne and Goldthorpe.	220,000
C26	Hoyland Sports Centre	It is proposed to create a new sports centre campus in Hoyland/Wombwell area which will serve the needs of the south of the borough.	6,000,000
C27	Royston Sports Centre	It is proposed to create a new sports centre campus in Royston which will incorporate the existing library and possibly provide space for health related activities in commercial units. A replacement for the civic hall and the removal of the old council offices would also be included.	6,000,000
C28	Dearneside Sports Centre	It is proposed to create a new sports centre campus in Goldthorpe/Bolton area which will serve the needs of the east of the borough. In addition it may be possible to co locate with allied commercial/health providers	6,000,000
C17	Elsecar Low Carbon Heating	Investment would provide 'match' to support the development of a low carbon renewable heating system at the site using mine-water. Total costs yet to be determined and external funding would be required.	2,000,000
C63	Corporate Device Replacement	It is proposed that by 2024/25 all 3,500 user devices will need to be replaced. The bid includes the provision of professional services to support IT in deployment across the user base; this is a significant task and therefore additional resources will be required during the period of the programme.	2,500,000
C71	Reprovision of Waste and Recycling to facilitate DVPR	Funding sought for the relocation and reprovision of waste and recycling facilities currently situated on Nicholas Lane, Highgate adjacent to Goldthorpe Train Station will enable this key site to be repurposed for a 850 space Park and Ride facility for a proposed new Dearne Valley Railway Station capable of accommodating High Speed Services between Sheffield, Leeds and beyond as well as catering for the existing local services	8,000,000

FUTURE COUNCIL PLAN 2021/22

APPENDIX 4 - Capital Investment Proposals Emerging / Pipeline

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
C58	The New Yard	The proposal seeks funding to support a wide raft of improvements at the site including quality public realm, to replace and repair faded, inappropriate, unpleasant, distracting and dangerous tarmac and surfacing. Facilities uplift, including fully refurbished toilets and much needed changing spaces. Interventions and structures to enable pop-up trading by small businesses. Infrastructure to allow Elsecar's night-time economy to flourish. Conservation works to historic buildings - a failure to carry out this work could result in enforcement action in the future.	625,000
C60	Smart Street Lighting Upgrades	The proposal seeks funding (£100k Feasibility / £1M Capital Upgrade / £500k IT hardware/software) to upgrade to smart lighting systems and capabilities.	1,600,000
C6	Innovation Fund	IT require a capital resource programme to enable then to drawn down and commission goods and services that support innovative and creative working.	500,000
C79	Acquisition of John Riddel House Shambles Street	Proposal seeks to acquire John Rideal House and consider an alternative usage. Opportunities for a community asset transfer should be first explored with DWP and/or a provision capital value of circa £1.5 million has been the cost to acquire the site should CAT not be feasible.	1,500,000
C62	Variable Messaging Signs - Upgrade	The proposals seeks to upgrade and expand the existing network of Variable Message Signs across the Borough.	750,000
C8	Software as a Service - System Transitions	Capital resources commission the support needed to transition strategic and business applications into the cloud reducing the requirement to purchase capital assets in the future.	1,000,000
C19	A road map for Hydrogen deployment in the Borough	Investment is being sought to commission a study for Barnsley will build on the previous SCR study and identify a 5 year route map into how Barnsley can use hydrogen to decarbonise heat, industry and transport.	42,000
C34	Parks Footway Improvements	Funding is being sought to provide a programme of footway renewals in parks across the borough.	100,000
SUB TOTAL - GENERAL FUND			176,333,372
HOUSING			

FUTURE COUNCIL PLAN 2021/22

APPENDIX 4 - Capital Investment Proposals Emerging / Pipeline

Ref	Proposal Name	Brief Description	TOTAL CAPITAL INVESTMENT £
C14b	Energy Efficiency: Air Source Heat Pumps / Decarbonisation	Installation of Air Source Heat Pumps	4,600,000
C21	Installation of Solar PV	Installation of Solar PV to Council Houses	1,000,000
C11	Strategic Acquisitions (M/plans) POT	Acquisitions programme in respect of future master planning zones	5,000,000
C10	Monkton Mixed Tenure - Low Carbon Development	Housing Development of mixed tenure that are low carbon	8,063,000
SUB TOTAL - HOUSING			18,663,000
TOTAL CAPITAL INVESTMENT PROPOSALS - PENDING / PIPELINE			194,996,372

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**2021/22 SERVICE AND FINANCIAL PLANNING
REDUNDANCY COMPENSATION AND PROCEDURES**

1. Purpose of Report

- 1.1 To consider the maximum amount of compensation to be paid under the Discretionary Compensation Regulations 2006.
- 1.2 To consider the period of notice to be afforded to employees declared compulsory redundant.

2. Recommendations

- 2.1 **That for the purpose of the 2021/2022 budgetary procedures, payments in accordance with the Discretionary Compensation Regulations 2006 be up to a maximum of 30 weeks actual pay based on the Statutory Redundancy Scheme.**
- 2.2 **That any employee (excluding Teachers) declared redundant be afforded the maximum of 12 weeks' notice of termination of employment.**

3. Introduction/Background

- 3.1 The above regulations provide Local Authorities with the power to make discretionary one-off lump sum payments (enhanced redundancy payments) to employees who are made redundant.
- 3.2 With effect from 1 April 2007, the Council introduced a revised scheme of compensation using the Statutory Redundancy Scheme but based on actual pay.

4. Current Position

- 4.1 Employees are entitled by their contract of employment to receive a period of notice if their employment is to be terminated by reason of redundancy.
- 4.2 This period of notice is the greater of either that specified within their contract of employment or that specified by statute.
- 4.3 In previous years, the Council has agreed the maximum of 12 weeks' notice, irrespective of an employee's length of service, would be served on any employee declared compulsory redundant. In addition to this, redeployment opportunities will be sought for affected employees during the statutory consultation period.
- 4.4 The advantage of affording 12 weeks' notice to all employees are:-
 - (i) The maximum time will be available to pursue and achieve redeployment opportunities.
 - (ii) Successful redeployment will negate the need to make a redundancy payment (maximum up to 30 weeks actual pay).
- 4.5 The disadvantage is if no redeployment opportunities exist, then there is a cost over and above what the contractual/statutory notice entitlement would have provided.

5. Options

- 5.1 To accept the report recommending payment up to a maximum of 30 weeks actual pay to all employees who are redundant, and any employee declared compulsory redundant to be offered the maximum of 12 weeks' notice of termination.
- 5.2 Not accept the report.

6. Local Area Implications

- 6.1 There are no direct Local Area implications.

7. Compatibility with European Convention on Human Rights

- 7.1 There are no implications.

8. Ensuring Social Inclusion

- 8.1 There are no implications.

9. Reduction of Crime and Disorder

- 9.1 There are no implications.

10. Risk Assessment

10.1 There are no implications.

11. Consultations

11.1 Service Director (Finance) and the Trade Unions have been consulted.

12. Proposal

12.1 It is recommended that Cabinet approve the recommendations of this report.

13. Glossary

13.1 None

14. List of Appendices

14.1 Appendix 1 – Number of potential redundancies for 2021/22

15. Background Papers

15.1 Discretionary Compensation Regulations 2006 – available for inspection from Human Resources.

Officer Contact: Michael Potter, Service Director Business Improvement, HR and Communications

Telephone No: 774594 Date: January 2021

2021/22 HR implications in numbers

Directorate	Business Unit	Service Director	Number of Staff Affected	Number of Potential Redundancies
Children's Services	BU1 Education, Early Start & Prevention	Nina Sleight	6	2
Place	BU4 Regeneration & Culture	Kathy McArdle	17	2
Communities	BU8 Stronger, Safer, Healthier Communities	Phil Hollingsworth	3	0
Core	BU12 Customer, Information & Digital Services	Dave Robinson	112	9
Core	BU13 Finance	Neil Copley	6	0
Total			144	13

BARNSELY METROPOLITAN BOROUGH COUNCIL

Aggregated equality impact assessment of budget efficiency proposals 2021/22, including considerations on the impact of Covid-19 and Brexit.

1. Purpose of Report

- Provide an overview of the equality impact assessment process for the budget efficiency proposals.
- Summarise the predicted aggregated impact of the proposals.
- Report the main impacts of Covid-19 on groups protected under the Equality Act 2010 to ensure budget efficiencies do not further compound the effects of Covid-19.
- Update on potential Brexit implications on UK equality law during 2021/22.

2. Overview of the Equality Impact Assessment process

Purpose of the process

- 2.1 The Public Sector Equality Duty, at section 149 Equality Act 2010, requires the Council to demonstrate 'due regard' to the three aims of the duty. That is: to avoid adverse outcomes for protected groups, to advance equality of opportunity, and foster good relations for people from protected groups where possible.
- 2.2 Although not an explicit legal requirement, the Council uses an equality impact assessment process (EIA). It has two parts, a pre-screening followed by a full EIA where required. This enables the Council to:
- have a written record of equality considerations;
 - ensure that decisions include a consideration of the actions that would help to avoid or mitigate any unfair impact on diverse groups;
 - make decisions based on evidence;
 - make the decision-making process more transparent;
 - comply with the law, and therefore reduce financial and/or reputational risk.

Pre-screening Equality Impact Assessment

- 2.3 In times of spending cuts *'Public bodies must ensure they adopt a proportionate approach to compliance.'*¹ The EIA predicts the likely impact the proposal will have on each protected group, however if the proposal is highly unlikely to have an adverse outcome on a particular group, there is no requirement to spend time gathering evidence to prove this.²

The first stage of the EIA process is to differentiate those proposals where there could potentially be a significant equality impact from those where there will be negligible or no impact.

- 2.4 The pre-screening process is a short series of questions that determines which of the budget efficiency proposals need to undertake a full equality impact assessment. If a proposal has very little or no relevance to equality, a Full EIA is not required.

Full Equality Impact Assessment

- 2.5 The Full EIA requires services to:
- gather and assess evidence about the potential impact in terms of service take-up, service quality and customer access, local and national data;
 - consider how they will seek the views of the local community, especially those groups most affected by the proposal (if applicable);
 - identify potential mitigating actions where possible negative impact has been found.
- 2.6 All EIA's should outline key findings. This should as a minimum describe:
- the main negative impacts anticipated;
 - how this has been assessed and the evidence used;
 - what options for mitigation should be considered; and
 - how the actual impact will be reviewed after implementation.

3. Aggregated Equality Impact Assessment 2021/22

- 3.1 The Aggregated EIA is an assessment of the cumulative predicted impact of all the budget efficiency proposals on the groups protected under the Equality Act 2010. This year they have been considered in conjunction with the wider impacts faced by protected groups as a result of Covid-19 (at Point 4).
- 3.2 Although not legally protected characteristics, the assessment also considers lower socio-economic groups and ex-service personnel.
- 3.2 Work contained within the Directorate Improvement and Efficiency Proposals 2021/22 not included in the aggregated assessment:
- Work that has already been delivered, and therefore equality considerations have already been made.
 - Proposals that solely relate to the increase in an income generation target that is currently over performing, as this does not require equalities consideration.
 - Expenditure work, although subject to equality considerations, is not included as the aggregated EIA is a high-level equalities overview of the spending cuts.
 - Proposals that are due to commence beyond the financial year 2021/22.
- 3.3 Some of the savings relate to restructure of staffing teams. This work is also subject to legal obligations under the Public Sector Equality Duty. However, this process has different considerations from the generic EIA process and is therefore not included in the aggregated assessment. Efficiency proposals relating to internal restructures will be expected to consider new restructure guidance which is due to be completed as part of the HR Business Advisory, Employee Wellbeing and Reward 21/22 Work Plan.
- 3.4 Eight budget efficiency proposals completed a pre-screening which deemed the work had very little or no direct relevance to equality. Therefore, completion of a full assessment was not required.

3.5 Four Full EIAs were completed with results shown in Table 1. It is possible that a piece of work can predict potential negative and positive outcomes across the different protected groups and across different elements of the work.

- No proposals have identified a negative impact on any protected groups.
- Two proposals have predicted positive outcomes for one or more protected groups.
- Two proposals have identified that the current impact on one or more protected characteristics is still unknown at present. These could result in a positive or negative impact. These proposals relate to the buildings review which is in the early stages.

Note: As the EIA is a live document, predictions may alter after the first iteration is developed.

3.6 Table 1 – Summary of potential impact across efficiency proposals

Protected characteristic	Negative ' - '	Positive ' + '	Don't know	Details
Sex		1		<u>Place BU4 E5 21/22 – Heating Upgrade</u> Better heating control for temperature variation.
Age		2		<u>Place BU4 E5 21/22 – Heating Upgrade</u> Better heating control for temperature variation. <u>Adults and Communities BU7 E3 21/22 – Use of Disabled Facilities Grant to fund minor equipment and adaptation</u> Budget changes to increase the provision of minor adaptations for older people and disabled people, thereby improving independence and choice.
			2	<u>Place – Community and Town Centre Buildings Review</u> Unclear at present whether the impact will be positive or negative on this group. Accessibility (both building-related and transport) will be taken into consideration when assessing any proposals.
Disabled		1		<u>Adults and Communities BU7 E3 21/22 – Use of Disabled Facilities Grant to fund minor equipment and adaptation</u> Budget changes to increase the provision of minor adaptations for older people and disabled people, thereby improving independence and choice.
			2	<u>Place – Community and Town Centre Buildings Review</u> Unclear at present whether the impact will be positive or negative on this group. Accessibility (relating to buildings, transport and disabled parking) will be taken into consideration when assessing any proposals.
Race				No predicted impact.
Religion & Belief				No predicted impact.
Sexual Orientation				No predicted impact.
Gender Reassignment			1	<u>Place – Town Centre Building review</u> Where a building is redeveloped, consideration will be given to inclusion of gender-neutral toilet facilities if practicably possible; this may result in a positive impact.
Marriage / Civil partnership				No predicted impact.

Pregnancy / Maternity		1		<u>Place BU4 E5 21/22 – Heating Upgrade</u> Better heating control for temperature variation.
			2	<u>Place – Community Buildings Review</u> Closer co-ordination of 0-19 services and family centres may improve have a positive impact on parents (to be) but not yet clear. <u>Place – Community and Town Centre Buildings Review</u> Unclear at present whether the impact will be positive or negative on this group. Accessibility, relating to buildings (e.g. pushchair ramps and toilets), and transport will be taken into consideration when assessing any proposals.
Other: Lower Socio-economic groups		1		<u>Place – Community Buildings Review</u> Co-location of a range of services will improve access with reduced requirement for travel and therefore expenditure. Also, opportunities to increase skills and qualifications to improve access to well-paid work.
			1	<u>Place – Town Centre Building review</u> Accessibility matters (both building-related and transport) will be taken into consideration when assessing any proposals.
Other: Ex-services			2	<u>Place – Community Buildings Review</u> Some ex-services personnel use the services affected by the review but the potential impact on this group is currently unknown. <u>Place – Town Centre Building review</u> The Housing Options Team, which are included in this review, do some work with ex-services personnel so their needs will have to be explored should that service be affected by this project.

- 3.7 The summary at Table 1 shows that the efficiency proposals should not have an adverse impact on protected groups. The aggregated EIA shows potential to ‘advance equality of opportunity’ for some protected groups, therefore evidencing compliance with strand two of the Equality Duty.
- 3.8 The impact on some groups is still unknown as details in the proposals are yet to be confirmed. The EIAs will be updated or more specific EIAs will be completed as these decisions are made. These may have a positive impact with the potential to ‘advance equality of opportunity’ for some protected groups. It is important for a watching brief to be kept on these proposals in case any potential negative impact arises, in which case mitigations need to be considered.

Compounded Equality Impact across financial years

- 3.9. It is important to consider the aggregated impact of efficiencies savings over more than one year to understand if there are any trends over time; this is important if negative impacts against the same protected groups are identified.
- 3.10. Comparing this Aggregated EIA for 2021/22 with the 2020/21 Aggregated EIA shows:
- Both conclude the efficiency proposals should not have an overall adverse impact on protected groups.
 - Both identified potential positive impacts for the protected groups of Sex, Age and Pregnancy/Maternity.

- Two potential negative impacts on Disability were identified last year, however steps were put in place to mitigate against these, resulting in no known negative impact. No negative impacts were identified this year.
- This year there is an unknown impact identified against four protected characteristics which will require ongoing monitoring; there were no unknowns identified last year.

4. Impacts of Covid-19

This year there is also the need to ensure cost savings do not compound the impact on communities most impacted by Covid-19. The disparate impact on people from Black, Asian and Minority Ethnic (BAME) communities, older people and those with underlying clinical vulnerabilities has been widely recognised. What follows is an overview of the salient issues faced by people from groups protected by equality legislation that need to be considered by decision makers to ensure that no community is left behind. This is by no means exhaustive and a more detailed analysis has been reported by Equally Ours³.

Age – Children and young people

- 4.1. Poverty – Coronavirus has turned the lives of families with children upside down. Many parents have lost jobs or been furloughed. When schools and childcare facilities are closed it leaves those still in work facing the impossible task of balancing work with childcare and home schooling. These challenges are particularly acute for low-income families.
- 4.2. Learning – The Covid-19 pandemic has impacted children's experience of learning, with differing support and resources available. Forty percent of low-income families were missing at least one essential resource to support their children's learning⁴.

Age – Older people

- 4.3. Increased risk – Older people, especially from the age of 70 upwards, are most likely to become very seriously ill and even die if they contract the coronavirus.
- 4.4. Health and wellbeing – A significant proportion of older people have stayed at or close to home. Although this helps protect people from the virus, it can lead to other serious problems: for example, loss mobility and balance especially as a result of moving around less; pain from untreated medical conditions; and the psychological impact of living with so much stress, uncertainty and isolation, leading to increased loneliness⁵.
- 4.5. The Aggregated EIA found two potential positive impacts on the protected characteristic of Age. However, the potential impact on Age of two proposed efficiencies is currently unknown (Buildings review). This needs to be considered as this work progresses to minimise any risk of a negative impact developing for this group.

Disability

- 4.6. Disabled women with limiting disabilities aged under 65 are 11.3 times more likely to die than non-disabled females, disabled men aged under 65 with limiting disabilities are 6.5 times more likely to die, and a third of all lives lost to Coronavirus in the UK have been those of disabled people⁶.
- 4.7. The Women and Equalities Committee report that the temporary Coronavirus Act provisions have the potential to substantially restrict or curtail important rights that disabled people rely on for their quality of life. They must not become new norms, setting back disabled people's rights by many years⁷.
- 4.8. The 'Manifesto for a Better Normal' report⁸ states the four key concerns for disabled people in the North East of England are: access and inclusion; health and social care; employment, and welfare benefits.
- 4.9. Access and inclusion – Many service providers are now having to use more online delivery methods which, whilst offering some great opportunities for connecting isolated people, also bring new accessibility challenges.
- 4.10. Health and social care – Throughout Covid-19, many disabled people are reporting feeling like an afterthought in health guidance and planning. It has been apparent that disabled people who have been able to take control of their own support have been less affected by Covid-19⁹.
- 4.11. Employment – For some disabled people, work has proved impossible because of the need to shield or not being able to access support. However, for others, the adoption of homeworking has been beneficial, increasing control of their working environment and reducing travel problems.
- 4.12. Welfare benefits – A decade of austerity measures and welfare reforms have led to growing inequalities for people with long-term health conditions and disabilities. There has been a significant reduction in new claims for disability benefits since lockdown measures were introduced, meaning many people with long-term health conditions are going without money they are entitled to.
- 4.13. The Aggregated EIA found two proposed efficiencies where the potential impact on Disability is currently unknown (Buildings review). This needs to be considered as this work progresses to minimise any risk of a negative impact developing for this group. One proposal identified a potential positive impact on the protected characteristic of Disability.

Race

- 4.14. Black, Asian and minority ethnic (BAME) groups in the UK are among the poorest socio-economic groups. There are structural inequalities that place these groups at much higher risk of severe illness from Covid-19, as well as experiencing harsher economic impacts from government measures to slow the spread the virus¹⁰.
- 4.15. Health – BAME groups remain over-represented in the 'at-risk' communities identified by the Government. Some BAME groups have higher rates of heart disease, hypertension, and are more likely to develop diabetes than white British people.
- 4.16. Housing – Ethnic minorities are more likely to live in overcrowded' housing, have multigenerational households and have lower rates of home ownership.
- 4.17. Employment – BAME communities are over-represented in key worker categories¹¹, and twice as likely to be in precarious employment, including zero-hour contracts and agency contracts¹².

- 4.18. Economic rescue package – In the March 2020 budget, a package of measures was announced to support the economy and British people. A disproportionate number of ethnic minority people will not qualify or be sufficiently covered by the government’s wage-support scheme, mortgage-holiday package, Statutory Sick Pay or means-tested Universal Credit programmes⁸.
- 4.19. The Aggregated EIA has not identified any additional impacts on the protected characteristic of Race as a result of the proposed budget efficiencies.

Sex

- 4.20. Sixty percent of key workers are female; and 77% of the workforce at high risk of exposure to coronavirus are female. Most social care workers are women (83%) and have been twice as likely to die of coronavirus than the population on average¹³.
- 4.21. Mothers in couples are one-and-a-half times more likely than fathers to have lost their job or quit since lockdown¹³.
- 4.22. The Aggregated EIA has found one potential positive impact on the protected characteristic of Sex as a result of the budget efficiency proposals. No potential negative impacts were identified for Sex.

5. Brexit implications

- 5.1 The 2019 government manifesto pledged to ‘update’ the Human Rights Act passed by the Labour government in 1998.
- 5.2 Leaving the European Union (EU) does not affect rights under the European Convention on Human Rights, as this comes from the Council of Europe, not the EU. Many protections in EU equality law, especially the advances made relating to women’s rights, have been written into UK law by legislation, which will stay the same unless withdrawn by Parliament.
- 5.3 However the EU (Withdrawal) Act 2018 omitted the EU Charter of Fundamental Rights, which in Article 21 provides a freestanding right to non-discrimination. This safeguard will no longer form part of domestic law. Within the Act there is the possibility for delegated legislation to be used to change equality and human rights law.
- 5.4 The Equality and Inclusion Team will continue to horizon scan and consider potential changes in this area.

6. Equality and Inclusion Team Recommendations

- 6.1. Opportunities for improvement have been identified by the Equality and Inclusion Team. The recommendations aim to improve the process of compiling the annual Aggregated EIA report in future years.
- 6.2. The benefits of this will be a more accurate, considered and informative report for the reader. The table below outlines the proposed recommendations.

Issue Identified	Proposed Recommendation	Lead Team
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Inconsistent approach across directorates to EIAs relating to budget efficiencies.	Early reminder sent to services completing their implementation plans to request timely completion of EIA.	Equalities team
Looking at the Equality Impact of each financial year in isolation means longer term sustained impacts may be missed.	To include a summary analysis of the Compounded Equality Impact of budget efficiency proposals over a 3-year period in future reports.	Equalities Team

7. Summary

- 7.1. The 2021/22 efficiency proposals are not predicted to have an adverse impact on protected groups. In fact, there is potential to 'advance equality of opportunity' for some protected groups. Although a watching brief should be kept on areas where the current equality impact is unknown.
- 7.2. Covid-19 has had a disparate impact on those with the protected characteristics of Age, Disability and Race. The Aggregated EIA has not highlighted any potential additional negative impact on these groups as a result of the proposed budget efficiencies.
- 7.3. In terms of Brexit, the current Council processes of considering equality should continue, including horizon scanning potential changes to equality legislation that may materialise in the coming years.

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Our Communications Strategy

OUR COMMUNICATIONS STRATEGY

USE COMMS
STRATEGIC
PLANNING
TO...



BRING OUR
COUNCIL
PLAN
TO LIFE BY...

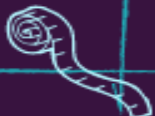


Communicating
Engaging
Sparking behaviour
change



USING...

Insight and data
Innovation and
best practice
Evaluation and
learning



OUR APPROACH

1 council
borough

Showcasing
and
inspire

*better
together*
Partnerships

Reputation



INFLUENCE



Targeted

